

CHAPTER XIII

FINANCE AND PROPERTY

FINANCIAL MATTERS

1. It shall be the duty of the Council, acting through the Finance Committee:
 - (a) to collect the contributions for University purposes due from the several Colleges under the provisions of Statute G II;
 - (b) to publish the accounts of the several Colleges;
2. The Finance Committee shall have authority under the Council to exercise the powers of the University under Statute A II 3–5, subject to Regulations 5 and 6 below and subject to the following restrictions:
 - (a) approval by Grace of the Regent House shall be required for the sale or transfer of any real or leasehold property belonging to the University, or for the grant of a lease on behalf of the University for a period of sixty years or more, if in the judgement of the Council such a sale or lease would deprive the University of the use of lands or buildings which are of present or prospective use to the University;
 - (b) all investments capable of registration shall be registered in the name of the Chancellor, Masters, and Scholars of the University of Cambridge or of nominees appointed by resolution of the Finance Committee;
 - (c) all certificates for securities shall be deposited for safe custody at a bank or other recognized financial institution, which shall be approved by resolution of the Finance Committee;
 - (d) all purchases and sales of bearer bonds or securities transferable by mere delivery or by delivery and endorsement shall be conducted through bankers approved for the purpose by resolution of the Finance Committee;
 - (e) approval by Grace of the Regent House shall be required for the grant of security for any loan, and the terms of any loan so secured shall provide for the repayment of the loan within fifty years or less either by annual instalment or otherwise.
3. Barclays Bank plc shall be Bankers to the University until further order.
4. The financial year of the University shall end on 31 July.
5. Regulations 2–4 shall not apply to the finance and property of the University Press, which shall be governed by Statute J and by the regulations for the Press Syndicate made under that Statute and Regulation 2 shall not apply in connection with the management, development, and stewardship of the North West Cambridge Estate which is the responsibility of the West and North West Cambridge Estates Board, which shall be governed by regulations for that Board made under Statute A VI 1.
6. In order to facilitate the management of investments under the control of the University the Council may at any time and from time to time resolve that all or any part of the endowments or other funds of the University and of the funds of any specific trust for purposes connected with the University of which the University is trustee (hereinafter called the constituent funds) be treated as one amalgamated fund invested for the rateable benefit of the constituent funds and to and upon any such resolution the following provisions shall apply:
 - (a) an investment shall not be brought into an amalgamated fund upon its first constitution or upon any change of investment unless it is an authorized investment for all the constituent funds;
 - (b) an amalgamated fund shall be held on behalf of the constituent funds in shares as nearly as may conveniently be proportionate to their respective capital values upon the first constitution of the amalgamated fund; such shares shall be fixed by resolution of the Council on the recommendation of the Finance Committee of the Council;
 - (c) the Council, on the recommendation of the Finance Committee of the Council, may at any time increase any amalgamated fund by adding thereto new constituent funds and upon any such increase shall fix the share of such new constituent funds in the resulting amalgamated fund;
 - (d) the Council may at any time wind up any amalgamated fund and divide the investments thereof between the constituent funds in proportion to their respective shares therein or may bring all or any of the shares into a new or other amalgamated fund in accordance with the provisions of this regulation;

Duties.

Property and securities.

Bankers.

Financial year.

(e) the Council may appropriate and distribute for expenditure as much of the fair value of any amalgamated fund as prescribed by Ordinance as it considers in its absolute discretion is prudent having regard to the total return achieved and reasonably to be expected in the long term of the amalgamated fund and distribute in proportion to the constituent funds at the time of the distribution.

7. The Council, the Finance Committee, and the General Board shall jointly issue regulations for the financial and operational management of University sites and buildings.

Buildings
Committee.

8. The Buildings Committee shall be a joint committee of the Council and the General Board. It shall be the duty of the Buildings Committee:

(a) within the terms of sites and buildings approved by the Council, the Finance Committee, and the General Board from time to time

(i) to consider and give technical approvals for building proposals submitted to them in accordance with regulations for sites and buildings approved by the Council, the Finance Committee, and the General Board;

(ii) to consider and give such approvals as it thinks fit for the delegation of responsibility for maintenance and building work; and

(iii) to oversee applications for planning approvals on University land;

(b) to maintain general oversight over the technical aspects of the erection of any new building or the alteration of any existing building;

Building
Maintenance
Fund.

(c) to advise on the annual budget needed in the Building Maintenance Fund;

(d) to perform such other duties as the Council and General Board may from time to time direct.

NOTICES BY THE COUNCIL

ETHICAL GUIDELINES ON THE ACCEPTANCE OF BENEFACTIONS

1. Under Regulation 6 of the regulations for the Vice-Chancellor¹ the Regent House has delegated the acceptance of benefactions to the Vice-Chancellor. In exercising this responsibility, the Vice-Chancellor will seek the advice of the Committee on Benefactions and External and Legal Affairs of the Council for all benefactions over £1m, or that are likely to give rise to significant public interest.

2. Charity law places certain constraints on charities, and in recommending acceptance of any benefaction the Committee shall make available to the Vice-Chancellor information under the following headings:

(a) Are the purposes of the benefaction compatible with the purpose of the University as defined in its Statutes?

(b) Do the purposes of the benefaction fall within the University's mission and strategic plan?

(c) What additional costs or burdens, if any, would acceptance of the benefaction create for the University?

(d) Is there published evidence that the proposed benefaction arises in whole or in part from activity that

- evaded taxation?
- violated international conventions that bear on human rights?
- limited freedom of inquiry?
- suppressed or falsified academic research?

In the case of unproven allegations of criminality against a potential donor, no account shall be taken of mere rumour, but care will be exercised in accepting any benefaction, or continuing negotiations towards a possible benefaction, where there is a risk of significant damage to the University's reputation.

(e) Is there evidence that the proposed benefaction, or any of its terms, will

- require action that is illegal?
- limit freedom of inquiry?
- suppress or falsify academic research?
- create unacceptable conflicts of interest for the University?

(f) Is there evidence that acceptance of the proposed benefaction or compliance with any of its terms will damage the University's reputation, including deterring other benefactors?

Although benefactions which are uncontroversial and which are worth less than £1m may not be subject to detailed scrutiny by the Committee, acceptance will nevertheless be considered explicitly against these ethical guidelines.

3. All members of the University involved in fundraising are encouraged to consult Development and Alumni Relations at an early stage in their discussions with a potential benefactor. Development and Alumni Relations can advise on the use of these guidelines, and consultation will also reduce the risk of unco-ordinated approaches to a single potential donor; spread familiarity with the process for accepting benefactions; and may allow an early warning of anyone unknowingly approaching a potential benefactor whose donation is not likely to be acceptable.

¹ See p. 695.

FINANCIAL REGULATIONS

Adopted and approved on 28 May 2012 by the Council after consultation with the Finance Committee¹

A. PRELIMINARY

Terms in capitals are defined in Schedule 2 where necessary to aid interpretation.

The Council is responsible for the supervision and management of University resources and finances. The purpose of these Regulations is to provide sound arrangements for internal financial management, accounting and control, and promote best value for money and compliance with the University's legal and financial obligations.

1. Scope

1.1. These Regulations apply to

- all University Income and Business;
- all Staff; and
- all Departments and University subsidiary companies but not Cambridge University Press and Cambridge Assessment.

2. Ethical Principles

2.1. University Business shall be conducted in accordance with the Nolan Principles: selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.

2.2. Staff must ensure that

- (a) neither their conduct of University Business; nor
- (b) the conduct of any person or organization entering into any contract or arrangement with the University contravenes the Bribery Act 2010. (See also Financial Regulation 20.)

There are four offences under the Bribery Act:

- Bribing another person;
- being Bribed;
- Bribing a foreign public official; and
- failure to prevent Bribery.

Staff must not use their authority or office for personal gain and must always seek to uphold and enhance the standing of the University.

2.3. Staff must declare to their Head of Department any personal interest, which may affect any University Business and act in accordance with the instructions given as to management of any conflict.

2.4. Staff must seek written permission from their Head of Department before accepting gifts or hospitality directly or indirectly from suppliers, other than low value items such as a gift worth less than £25 or hospitality worth less than £50. Receipt of gifts or hospitality must not influence or appear to influence the choice of supplier or prejudice the University's reputation. If in doubt, gifts and hospitality must be refused. Excessive or lavish gifts or hospitality may constitute Bribery.

2.5. Where Heads of Department have a conflict of interest or wish to accept gifts or hospitality (other than low value items) they must seek the advice of the body or person to whom they are responsible, for example Head of School, management board or General Board, and act as advised.

3. Staff Responsibilities

3.1. Staff shall, irrespective of sources of funding,

- comply with these Regulations and Statutes, Ordinances, and University policies;
- take all necessary advice;
- assess and manage risks (including to health and safety) entailed in University Business they transact;
- safeguard University property and Income for which they are responsible;
- use University resources economically, efficiently, effectively, to secure value for money, and to promote the Environmental Sustainability Policy;
- ensure compliance with all obligations in contracts relevant to them entered into by or on behalf of the University; and
- comply with the University's legal, financial, administrative, and other obligations including to HEFCE, HM Revenue and Customs, and other government authorities.

3.2. Non-observance of these Regulations may result in disciplinary action.

B. HEADS OF DEPARTMENT**4. Definition and Responsibility**

4.1. 'Head of Department' means any of the following: the Head of a Department or a Faculty not organized in Departments, Secretaries of Faculty Boards, Head of a Centre, Institute, or other body under the supervision of the General Board or Council, and Head of a Division within the Unified Administrative Service. 'Department' is interpreted accordingly.

¹ Amended by Notice (*Reporter*, 6522, 2018–19, p. 57).

4.2. Heads of Department shall ensure

- proper allocation of funds;
- sound financial control, authorizations, and separation of duties;
- that accounts are correctly maintained;
- that funds available for spending are not exceeded;
- that these Regulations and other University policies are publicized and observed within their Department; and
- that all information and explanations required by the University's internal or external auditors are provided promptly.

5. Departmental Management

5.1. Heads of Department may designate in writing one or more people to execute specified tasks for and subject to the supervision of the Head of Department. The Head of Department remains responsible.

C. CONTRACT EXECUTION AND COMMENCEMENT**6. Authority to Sign Contracts**

6.1. Subject to Regulations 6.2, 6.3, and 18.4, Heads of Departments have authority to sign contracts in the course of the ordinary business of their Department in respect only of available funds for which they are responsible.

6.2. Contracts for the purchase, lease, or licence of land or property or for the erection, demolition, substantial repair, or alteration of buildings must be referred to EM and are subject to the Sites and Buildings Regulations (see further Regulation 32 and Explanatory Note in Section M). The Director of EM or the Registry shall approve and sign all such contracts, provided all approvals required under Statutes, Ordinances, and the Sites and Buildings Regulations have been given.

6.3. The Head of the Research Operations Office shall approve and sign all contracts relating to sponsored research activity (but not purchasing, for which see Regulation 18.2). Small collaborations directly related and subsidiary to a purchase may be executed as part of that contract provided the Research Operations Office is consulted.

6.4. Subject to Regulations 6.2 and 6.3, the following persons have authority to sign contracts affecting more than one Department:

- the Vice-Chancellor;
- a Pro-Vice-Chancellor;
- the Chair of the Faculty Board or Head of School where all the Departments affected are in that Faculty or School;
- the Registry;
- the Director of Finance; and
- the Head of Procurement Services.

7. Sealing

7.1. The following persons have authority to authorize affixing of the University's seal, where any necessary approvals are in place:

- the Vice-Chancellor;
- a Pro-Vice-Chancellor;
- the Registry;
- the Director of Finance; and
- (for assignment of University intellectual property) the Head of the Research Operations Office.

8. Documentation, Liability, and Performance

8.1. Procurement Services is responsible for the safekeeping of the original contracts it executes. Otherwise the Head of Department is responsible. If required, the Registry or Procurement Services will keep the documentation for contracts affecting more than one Department.

8.2. Departments are responsible for meeting obligations and for all costs or losses arising from contracts entered into by or for them.

8.3. Contract performance shall not begin before

- all necessary approvals have been obtained; and
- the contract has been executed; or the person executing it is satisfied that key terms have been agreed and the risks created by delay outweigh the risk of proceeding prior to full contractual agreement.

D. INCOME AND EXPENDITURE**9. Accounting and Other Records**

9.1. Heads of Department shall

- maintain financial records as specified in *Statutes and Ordinances*;
- certify whether annual statements of account (which are distributed by the Finance Division) are true and fair and that responsibilities under these Regulations have been discharged during the year; and
- properly record all transactions in CUFS and any other financial system, the use of which has been authorized by the Director of Finance.

9.2. Staff must comply with the Finance Division CUFS user policy.

9.3. Record keeping must comply with data protection legislation. The University is subject to the Freedom of Information Act 2000 and members of the public may request copies of University documents. Staff must follow the guidance published by the University's Information Compliance Office and take that Office's advice as necessary.

10. Cash and Banking

10.1. All University Income must be paid promptly into a bank account in the name of the University (and into no other account) and be accounted for in CUFS. All University expenditure must be paid from a University bank account and be accounted for in CUFS.

10.2. Departments and Staff have no authority to open bank accounts (whether in the UK or abroad) for any University activities without the prior written consent of the Director of Finance.

10.3. Where possible, Departments shall separate duties for receiving and recording University Income. Where this is not possible, regular independent checks shall be made.

10.4. The Financial Procedures Manual lays out further financial requirements including in respect of cash, petty cash, banking, credit card, and related matters.

11. Management of Expenditure and Use of Resources

11.1. Heads of Departments are authorized to incur expenditure not exceeding the limits of funds available to the Department. They are responsible for ensuring that monitoring and control arrangements are adequate to prevent over-commitment of expenditure; that all funds under their control are used only for the purposes for which they are allocated; and resources are used in accordance with the Environmental Sustainability Policy. The Head of Department (or budget holder where authorized by the Head of Department) shall approve expenditure.

11.2. The Financial Procedures Manual lays out further financial requirements and guidelines, including in respect of travel, subsistence, and entertainment and related matters.

12. Supplying Goods or Services including Research

12.1. Heads of Departments must establish procedures to ensure that

- all supplies of goods and services are authorized and are supplied as agreed;
- trading accounts are managed to break even or achieve a surplus;
- all relevant risks to the University are considered and managed, there are adequate credit control procedures, and supplies are made only where the credit risks are acceptable;
- the University's standard terms and conditions are applied where possible;
- invoices other than for sponsored research funding (see Regulation 13.3) are raised
 - in the name of the University of Cambridge showing the University's VAT number;
 - through CUFS unless prior written consent is given by the Director of Finance; and
 - wherever possible in sterling for settlement in sterling (any exchange risk lies with the Department for invoices in a currency other than sterling);
- the liability for all taxation is established and tax is charged and accounted for as appropriate (see Regulations 25 and 29);
- except for research contracts, which are subject to Regulation 13, the full economic cost to the University is recovered, unless the advice of the Taxation Section is sought and it is appropriate to do otherwise having regard to the particular circumstances;
- best value is obtained for sale of any goods to external bodies or to staff (and the Taxation Section consulted about VAT and tax implications);
- sales to staff or their families below the cost incurred by the Department in providing the benefit (including where no charge is made) are recorded and reported as a taxable benefit at the end of the tax year (see Regulation 21.2);
- where payment for goods is received in cash, the sum does not exceed the cash equivalent of €15,000 (for any single transaction (per the Money Laundering Regulations 2007)).

12.2. With the exception of research grants claims, Departments are responsible for debt collection in respect of invoices issued to third parties. Advice must be sought from the Director of Finance where legal action to recover monies is considered.

12.3. Uncollectible debts, including in respect of sponsored research activity, will be an expense against the Department. The following authorities exist to write off bad debts or for part settlement, where all reasonable steps have been taken to recover them:

- Debtors up to £10,000 – Head of Department
- Debtors of between £10,000 and £25,000 – Director of Finance
- Debtors over £25,000 – Finance Committee

The Taxation Section must be informed of all write-offs (including partial write-offs) of VAT invoices, as the VAT may be reclaimable.

13. Research Grants

13.1. Staff shall send grant applications and proposals for research contracts to the Research Operations Office for approval before their submission in accordance with Research Operations Office policy.

13.2. Heads of Department shall ensure there are appropriate arrangements

(a) in conjunction with the Research Operations Office to

- cost grant applications and proposals on the basis of the full economic costs of the research; and
- recover charges for facilities and overheads in accordance with and at the rates specified in University policy or record the extent and justification for subsidizing the cost where in exceptional cases Head of Department agrees not to apply University policy for recovery rates; and

(b) ensure that research which is funded is conducted to meet the funding terms and conditions.

13.3. The Research Operations Office shall raise all invoices for sponsored research funding.

13.4. All research grant or contract income and expenditure, from whatever source of funds, must be notified to the Research Operations Office and no part of this income may be transferred into donation accounts or other special funds, other than funding remaining unspent at the end of the research which the funder has agreed the Department may retain.

13.5. Heads of Department shall ensure that expenditure on research activity complies with these Regulations. Financial control and record-keeping shall also comply with any additional Research Council or other funder's requirements.

13.6. The Research Operations Office shall ensure all grants are closed on a timely basis and without residual balances.

14. Donation Accounts and Trust Funds

14.1. Donations belong to the University, not to an individual, and must be paid into a donation account in accordance with Regulation 10.1. Donations must be requested and received exclusively for charitable purposes. Receipt which improperly influences any decisions made by or on behalf of the University may constitute Bribery. Acceptance of donations must be made in accordance with the Ethical Guidelines for the Acceptance of Benefactions.

14.2. Heads of Department must ensure that

- donation accounts and trust funds are maintained in credit;
- funds are applied for the public benefit for charitable, educational, or research purposes only; and
- any Ordinances or regulations governing the receipt of donations and the conduct of individual accounts are followed.

14.3. University trust funds are governed by regulations set out in *Statutes and Ordinances*. Trust fund managers shall ensure that funds are used for proper purposes in accordance with the rules of the specific fund and the University's general charitable purposes.

14.4. Transfers of donated funds to other institutions can only be to other charitable bodies and must always be approved by the Head of Department and be in accordance with the terms of the gift and the University's general charitable purposes. Transfers shall not be made until the receiving institution has confirmed in writing that the terms of the gift will be observed. Where the transfer relates to the Head of Department's research, the Director of Finance's prior written consent must be obtained.

14.5. Donations cannot be transferred to individuals, except where the individual is the donor and the University is unable to meet the terms of the original gift.

E. INVESTMENT AND BORROWING

15. The Cambridge University Endowment Fund ('CUEF')

15.1. The University's Chief Investment Officer is responsible for all CUEF investment management activities. The Chief Investment Officer appoints and monitors external investment managers.

15.2. No Department or trust of the University may invest in any securities or other investments (including land and buildings) without the prior approval of the Finance Committee.

15.3. Acquisition of land is also subject to the Sites and Buildings Regulations (see para 32.1 below).

16. Investment in the CUEF and Deposit Account

16.1. Surplus funds (only) may be invested in the CUEF and Deposit Account. The Director of Finance is responsible for approving all new and any changes in CUEF holdings. Deposit Account eligibility rules and interest rates are published by the Director of Finance from time to time.

17. Borrowing, Guarantees, and Loans

17.1. Departments must not borrow money outside the University.

17.2. No guarantees or letters of comfort may be issued except with the prior written consent of the Director of Finance.

17.3. No Department may make a loan including to staff or (outside the normal course of business) extend credit arrangements without the Director of Finance's prior written consent.

F. PURCHASING

18. Obtaining Goods, Services, or Construction Works

18.1. Expenditure of £2,000,000 or above on capital items (inclusive of VAT) requires the consent of the Planning and Resources Committee.

18.2. Value for money in purchasing is normally demonstrated through competition. The table in Schedule 1 sets out the minimum competition requirement when obtaining goods, services, or construction works for all

Departments; the only flexibility for a Department being set out in Financial Regulation 18.3. These requirements apply to all expenditure irrespective of the source of funding (including spending of grant monies and Leasing). If there is any reason to believe that offers which have been received are not competitive, further offers must be obtained. A Department must not enter into separate contracts, nor apply the Total Value calculation separately to contracts, with the intention of avoiding the application of these Regulations.

18.3. Prior written consent not to follow the competition procedures may be granted

(a) for construction and Construction Related Procurement by

- the Director of EM where the Total Value is less than the EU Threshold; and
- the Registrar where it is at or exceeds the EU Threshold;

(b) for other procurement by

- the Head of Department where the Total Value is £50,000 or less and the Director of Finance where the Total Value exceeds £50,000 by recording the reasons on Procurement Services' online dispensation form;
- for any procurement where the Director of Finance has issued a general consent (irrespective of the Total Value).

Schedule 1 sets out non-exhaustive examples of circumstances where dispensation might be appropriate. Notwithstanding the grant of a dispensation, all the other requirements of Financial Regulations must be met, including Regulations 18.4 to 18.9 inclusive.

18.4. (a) Departments must seek all necessary advice.

(b) The Head of Department's *prior* written consent is needed for one or more payments in advance in relation to any contract totalling £10,000 or less.

(c) The Director of Finance's advice and prior written consent is needed for:

- procurement (other than construction) where the Total Value exceeds £100,000 (advice only);
- procurement where the Total Value exceeds £50,000 and supplier terms are used (advice only);
- all Leasing¹ irrespective of the Total Value (except where a Leasing Framework Contract is used – see the definitions in Schedule 2); a cost benefit analysis shall be submitted where consent is required;
- payments in advance exceeding £10,000; and
- payment under early settlement terms exceeding £250,000.

(d) The Director of EM's advice is needed for procurement falling within Regulation 6.3.

18.5. All purchasing shall be based on a specification drafted after consultation with anticipated users and assessment of the associated risks and environmental impact. The Procurement Procedures provide further guidance on purchasing and sustainable procurement.

18.6. Goods and services may be purchased externally only if

- they are required for the achievement of financial, academic, or organizational plans;
- they are not reasonably available elsewhere within the University; and
- the source, sufficiency, and terms of the funding have been checked and confirmed.

18.7. Heads of Department must establish levels of authorization and segregation of duties for contracts where the Total Value exceeds £500 for:

- short listing and acceptance of tenders;
- ordering and inspection of goods and services; and
- payment.

Where payment duties cannot be segregated, transactions must be independently checked on a regular basis.

18.8. Orders must state the nature, quantity, and price of goods and services to be provided and where possible apply the University's terms and conditions. Copies of orders must be kept securely. Where an order is placed through CUFS, the electronic record suffices.

18.9. Official orders must be produced in a form approved by the Director of Finance for all purchases above £100 or any lower threshold set by the Head of Department.

18.10. Where equipment is to be loaned to the University free or at a discount, advice must be taken, the principles of Regulation 18 observed and an agreement put in place, including to regulate the University's responsibilities and rights at the end of the loan.

19. Receipt of Goods or Services, Payments for services to individuals

19.1. All goods and services must be checked promptly on receipt to ensure that they accord with order requirements and suppliers advised promptly about any discrepancies. Copies of signed delivery notes must be retained. If deliveries have to be acknowledged prior to checking, endorse the delivery note 'Goods received unchecked'.

19.2. Invoices must be checked and not authorized for payment until the goods or services have been checked, unless authority is in place to pay in advance (see Regulation 18.4) and those exceeding £1,000,000 have been countersigned by the Director of Finance.

19.3. Payments to individuals must comply with Regulation 31.6.

19.4. Heads of Department shall establish arrangements for monitoring and regular appraisal of purchasing activity to ensure that best value for money is secured for current and future purchases.

¹ Leasing, as defined in Schedule 2, does not include pure finance leases, which are a form of borrowing which Departments must not do (Regulation 17.1).

G. BRIBERY AND FRAUD

20. Bribery, Fraud, and Irregularity

20.1. Heads of Department shall implement procedures as required under the University's policy against Bribery and Corruption¹, including to prevent Fraud. Any member of staff shall report immediately in writing any suspicion of Bribery, Fraud or other irregularity to the Registry and the Director of Finance. The Registry is the lead officer under the University's policy against Bribery and Corruption.

20.2. The Director of Finance will advise the University's internal auditors and if necessary the University Security Adviser and police, and report to the Audit Committee and the Vice-Chancellor any Bribery, Fraud, or irregularity which has any of the following characteristics:

- exceeds £10,000
- is unusual or complex
- public interest is likely.

20.3. Any member of Staff who has reasonable grounds for believing there is serious malpractice within the institution (see Human Resources Division website, Policies and Procedures; Public Disclosure by University Employees: Whistleblowing Policy) should raise their concerns using the specified procedure.

H. CORPORATE REQUIREMENTS

21. Taxation

21.1. Heads of Departments shall ensure that their Department accounts correctly for VAT and where appropriate corporation tax. Where there is any doubt as to the correct VAT or tax treatment of a transaction, the Taxation Section must be consulted.

21.2. Heads of Departments shall ensure that any taxable benefits paid to individuals are reported to the Finance Division for inclusion in P11D returns.

22. Legal Advice and Proceedings

22.1. The Council's Committee on Benefactions and External and Legal Affairs and the Registry have authority to take legal advice and to conduct legal proceedings. Departments shall not take any action to initiate or defend legal proceedings or obtain external legal advice without first involving the Legal Services Division, which will seek consent from the Registry or the Committee as necessary. The Legal Services Division should be contacted immediately if legal proceedings are threatened or served on any part of the University or any University subsidiary company. See also Regulation 23.3 and 23.4.

23. Insurance

23.1. Departments must comply with the insurance requirements set out in Financial Procedures and on the Insurance Section web pages.

23.2. Contents whether owned, borrowed, or hired must be valued, recorded, and notified to insurers. Departments should regularly review the value of contents held and notify the Insurance Section of

- departmental moves;
- the acquisition and disposal of high value items (exceeding £1,000,000); and
- temporary removal from University premises (where the single article exceeds £50,000 or the total exceeds £100,000).

23.3. Departments must take all necessary steps to prevent losses and accidents and ensure that the Insurance Officer is advised immediately of any new unusual or significant risk. Liabilities should not be accepted on behalf of the University without careful consideration. Any liabilities not covered by insurance will fall on the Department.

23.4. Third party claims must be passed immediately to the Insurance Section without comment to the third party to ensure that the University's legal position and insurance policies are not compromised.

24. Overseas Activity

24.1. No Department may enter into any arrangements for activity outside the United Kingdom, unless the Director of Finance gives prior written consent, where this activity involves either or both setting up any establishment and employing individuals overseas. In giving such consent, the Director of Finance shall seek advice from the Legal Services Division and the Taxation Section. The Director may require that external advice is procured at the expense of the Department seeking to enter into such arrangements. Consent shall not be deemed to override the need to take all necessary advice and obtain any other approval from University bodies including the General Board.

I. COMMERCIAL ACTIVITY

25. New Income Generation or Trading Activity

25.1. Apart from core teaching, research, and the organization of conferences, when a new income-generating or trading activity is set up (whether in the UK or abroad), the Head of Department must consult the Taxation Section beforehand to consider the VAT implications and whether the activity constitutes trading which might be subject to Corporation Tax.

25.2. The Director of Finance may direct that transactions be undertaken through a University subsidiary company.

¹ See <https://www.governanceandcompliance.admin.cam.ac.uk/governance-and-strategy/policy-against-bribery-and-corruption> (*Reporter*, 6265, 2011–12, p. 593).

26. University Companies

26.1. No University company may be formed or shares taken in any company (whether in the UK or abroad) for any purpose without advice from the Director of Finance and the prior approval of the Finance Committee, except when done through the Investment Office for investment purposes or by Cambridge Enterprise in relation to the exploitation of intellectual property.

26.2. University subsidiary companies shall enter into and keep under review a memorandum of understanding with the University. Each company shall operate in accordance with such memorandum and within the framework provided by these Regulations, including the provisions regarding procurement, and any additional procedural requirements imposed by their boards.

27. Third Parties occupying University space

27.1. Heads of Department and EM shall maintain departmental and corporate registers of any third party organization occupying University space (Embedded Companies). Heads of Department shall also ensure that procedures are in place to regulate the presence of visitors to the Department, including the signature of visitor agreements as necessary.

27.2. Heads of Department shall in respect of Embedded Companies:

- undertake financial and space cost benefit analysis for all new and (periodically for) existing Embedded Companies;
- comply with Regulation 29;
- take advice from EM and the Taxation Section and seek permission from the RMC as necessary;
- ensure that Embedded Companies comply with health and safety requirements;
- use the University's standard terms and conditions for third party occupation where possible;
- obtain evidence of Public Liability and employer's insurance annually; and
- identify, and deal appropriately with, conflicts of interest.

28. Consultancy and Private Activity

28.1. When engaging in consultancy or other commercial activity in a private capacity, Staff must not hold themselves out as acting on behalf of the University, use University headed stationery nor (except in accordance with Regulation 29) use any University premises, facilities or resources.

28.2. The University accepts no responsibility for any work done, advice given, or activity undertaken by Staff in a private capacity. Staff are reminded of the need to take out professional indemnity insurance for such work, advice, and activity and that they are responsible for all liabilities arising including as to tax. Staff who conduct work through Cambridge University Technical Services Limited are insured under the University's insurance policies.

29. Non-University Activities – Use of Premises, Facilities, etc.

29.1. Unless the Head of Department gives prior written consent and an appropriate contractual agreement with the University is put in place, non-University activities may not be carried out on University premises nor University facilities or resources used for such activities. Care is needed to avoid breaching any obligation of the University to a third party (for example in relation to use of computing facilities and software).

29.2. Heads of Department shall ensure that appropriate charges are made for the use of University premises, facilities, or resources for non-University purposes (see Regulation 12).

29.3. The Director of EM must be consulted before making any arrangement (including leases or licences) for the use of any University space for non-University purposes. See also Regulation 27.

30. Intellectual Property

30.1. Intellectual property generated through University activities is governed by the Intellectual Property Ordinance graded on 12 December 2005.

J. STAFFING

31. Salaries and Staff Appointments

31.1. All University employees shall have a properly authorized letter of appointment in the form approved by or under the authority of the Human Resources Committee. For the avoidance of doubt the term 'employees' includes temporary and casual workers.

31.2. The source of available funding to support the posts or post shall be identified before a member of staff is given a contract of employment.

31.3. The only payments which may be made to University employees are those in accordance with approved University salary scales and such other payments as have been specifically approved by the Human Resources Committee. Rules on expenses reimbursement are set out in the Financial Procedures Manual.

31.4. Heads of Departments must provide the Payroll Section with and keep up to date a list (signed by the Head of Department) of persons authorized to sign salary documents for departmental staff paid through the payroll. Where the proposed signatory is not a University employee the approval of the Director of Finance is also required.

31.5. For all new employees the Head of Department or other authorized signatory shall ensure that the person is legally eligible to work in the UK. The Payroll Section will not add a non-EU citizen to the payroll unless it is clear that any necessary work permit has been obtained or that the immigration status of the person concerned does not require the University to seek permission for the specific employment proposed.

31.6. Individuals may not be paid as suppliers through CUFS unless the Taxation Section has given prior written consent including as to the contract terms used.¹

K. PROPERTY

32. Property

32.1. The University's real property is governed by *Statutes and Ordinances* including the Sites and Buildings Regulations.

32.2. Departments may not acquire or dispose of real property without taking the advice of the Directors of Finance and of EM. See further Regulation 2.

32.3. The University's Taxation Section must be consulted about VAT and the tax implications of property acquisitions, disposals, and usage.

33. Stores and Equipment

33.1. Stores and equipment shall be dealt with as set out in the Financial Procedures Manual. Assets bought with University income irrespective of the source of funding remain the property of the University until sold, gifted, or destroyed, unless contracts with external sponsors specify otherwise.

33.2. Fixed asset registers must be maintained (with a minimum requirement for all items costing more than £2,000).

33.3. Heads of Departments shall keep full, proper, and correct records of stock. A full stock take must be performed annually between 1 June and 31 July in addition to any regular interim stock takes.

L. AUTHORITY

34. Council Delegations and Directions

34.1. The Council hereby gives all delegations and directions contemplated by these Regulations.

35. Revision

35.1. Every three years, or more frequently if appropriate, the Director of Finance shall arrange for these Regulations to be reviewed and for proposed changes to be submitted to the Finance Committee for onward recommendation to Council and adoption by Council Notice.

M. EXPLANATORY NOTE

- The University endeavours to conduct University Business in accordance with the Nolan Principles:²
- The Council is the principal executive body and policy making body of the University. The Council has general responsibility for administration, planning of work, management of resources, and general supervision of finances of all University institutions.³ It has the authority to take legal advice and conduct proceedings on behalf of the University.⁴ The Council and its Finance Committee exercise the University's powers of investment subject to certain restrictions.⁵ The Council has responsibilities in relation to the care, management, and maintenance of property.⁶
- The Vice-Chancellor has the customary rights and duties of the office⁷ and is the designated officer responsible to the Public Accounts Committee.
- Pro-Vice-Chancellors perform duties as prescribed by *Statutes and Ordinances*, the Council, or the Vice-Chancellor.⁸
- Heads of University Departments and Secretaries of Faculty Boards have financial responsibility under *Statutes and Ordinances*, and are accountable for the proper application of funds.⁹ Heads of other institutions are similarly responsible under particular provisions of *Statutes and Ordinances*.
- Acting Heads of Department may be appointed during a vacancy and count as Head of Department. The General Board appoints Deputy Heads and defines their duties and powers.¹⁰
- The Registry is the principal administrative officer of the University under the direction of the Council and is the head of the Unified Administrative Service.¹¹
- The University Offices form the Unified Administrative Service under the supervision of the Council and are organized in Divisions.¹²
- Special Ordinance A (viii) 4 provides for delegation by any University body to any committee or University officer (including in relation to finance) subject to *Statutes and Ordinances*.

¹ See the FD3 process at <https://www.finance.admin.cam.ac.uk/finance-staff/tax/fd3-employment-status-referral-form>.

² See the University's Corporate Governance Statement, annexed to the University's Annual Reports and Financial Statements.

³ Statutes A IV 1, A VI 1(a), C I 1(c), and F I 1(a).

⁴ Ordinances, Chapter I, The Council, Legal Powers.

⁵ Statute A II 6(b) and Ordinances, Chapter XIII, Financial Matters, Regulation 6.

⁶ Statute A II 3 and F II 2-3.

⁷ Statute C III 3.

⁸ Statute C III 17.

⁹ Statute A V 17(c) and Regulation 8 of the General Regulations for the Constitution of the Faculty Boards.

¹⁰ Ordinances, Chapter IX, Departments and Heads of Department, Regulations 4 and 5.

¹¹ Statute C VI 1.

¹² Ordinances, Chapter XI, Special Regulations for University Officers, Unified Administrative Service, Regulations 1 and 2.

- The Audit Committee has responsibilities under *Statutes and Ordinances*. The University's internal and external auditors have unrestricted access to all records, assets, personnel, and premises and the right to obtain such information and explanations as they consider necessary. The OfS, Research England, HM Revenue and Customs, and others may also have the right to audit University Business.
- The purpose of the EU Public Procurement Directives and implementing UK Regulations is to encourage competitive tendering for public contracts throughout the European Union. The Council, on the advice of their Finance Committee, declared the University to be outside their scope in December 2003. It reviews and confirms this status annually. The Council intends that the University's procurement procedures should continue to follow the good practice set out in the Regulations.
- In addition to compliance with Financial Regulations Staff must also comply with the requirements of *Statutes and Ordinances* and the Sites and Building Regulations.
- Ethical guidance on acceptance of donations and the provisions for acceptance of donations by or with the authority of the Vice-Chancellor are set out in Ordinances.¹

SCHEDULE 1 – COMPETITION PROCEDURES

Total Value (before VAT)	Procedure for inviting offers		
	Framework Contracts	Marketplace	Other purchases
< £1,000	Follow procedures recommended by Procurement Services for the contract	Only the price from the marketplace is required	Written price confirmation
£1,000–£25,000			Three Written Quotes
> £25,000–£50,000		Three Written Quotes or three Written Proposals, depending on complexity, risk, and value of the purchase (see the guidance in Procurement Procedures)	
> £50,000		Three Tender Submissions	
> £100,000	Procurement services must be consulted/involved and agree the most appropriate procurement method		
EU Thresholds (updated biennially) as at January 2018 > £181,302 (goods and services) > £4,551,413 (works)	EU Tenders managed through Procurement Services		

In particular the contract value must be calculated per the definition of Total Value.

Notes

1. Competition procedures are applicable unless a dispensation has been granted in accordance with Regulation 18.3.

Non-exhaustive examples of when a dispensation might be appropriate include:

- Sole source supply necessary in the following circumstances:
 - Technical compatibility, e.g. upgrade to an existing solution or purchase of additional goods which must be compatible with existing goods
 - Protection of technical rights
 - Single provider (membership of a professional institute/proprietary training)
 - Purchase of or repairs to goods or materials, including machinery or plant, available only as proprietary or patented articles
 - The work to be executed or the goods/services to be supplied constitute an extension of an existing contract where a change of supplier would cause:
 - Disproportionate technical difficulties
 - Diseconomies, or
 - Significant disruption
- Other reasons might include:
 - A one-off, unique opportunity which offers significant value
 - Extreme urgency, which was unforeseeable and is not attributable to the requester and which precludes the invitation of quotations or tenders.

2. The expectation is that, where the required goods are available, purchases up to £25,000 will be made via the Marketplace or under a Framework Contract. Other offers should not be sought, unless better value can be achieved elsewhere, in which case Procurement Services must be notified so that any price discrepancies and inclusion of the supplier on the Marketplace can be explored.

¹ Ordinances, Chapter XIII, Council Notice: Ethical Guidelines on the Acceptance of Benefactions.

SCHEDULE 2 – DEFINITION, ADVICE, AND GUIDANCE**Definitions and Interpretation**

Bribery	As defined in the University's Policy against Bribery and Corruption
Certifying	Completion of Procurement Services' online dispensation form
Construction Related Procurement	The procurement of goods or services which could not be procured separately from the construction or alteration of a building (for example lift maintenance, the procurement and installation of equipment including air conditioning are not Construction Related Procurement)
CUEF	The Cambridge University Endowment Fund in which the main University endowments are pooled
CUFS	Cambridge University Financial System
Department, Head of Department	As defined in Regulation 4.1
Deposit Account	A University-wide facility that allows Departments to invest surpluses
EM	The University's Estate Management Service
Embedded Company	A third-party organisation (often but not always a company) occupying University premises or whose employees' normal place of work is on University premises, other than as temporary visitors or to provide services to the University
Environmental Sustainability Policy	As approved from time to time by the Council ¹
EU Threshold	A threshold from time to time in force above which a public contract must be let in accordance with public procurement legislation
Framework Contract	Any framework contracts approved by Procurement Services
Fraud	As defined in the University's Policy against Bribery and Corruption
HEFCE	The Higher Education Funding Council for England
Investment Board	The board which manages for the University the investment of the CUEF
Leasing	A third party (including a supplier or a finance company) makes available for the University's use assets owned by the third party (ownership never vests in the University), for which a rental payment is made for a period of use; as distinct from an arrangement which amounts to borrowing to fund the possible acquisition of assets
Marketplace	Any supplier catalogue or process for obtaining offers which is made available electronically through CUFS
Nolan Principles	The seven principles identified by the Committee on Standards in Public Life
Planning and Resources Committee	Planning and Resources Committee of the Council and the General Board
Procurement Services	The University's Procurement Services section of the Finance Division
Procurement Procedures	The guidance and model documents on procurement in the Financial Procedures Manual or published on the Procurement Services web pages
Proposals	Bona fide, comparable Written bids submitted by a specified date (the Procurement Procedures provide sample documentation)
Quotes	Bona fide, comparable Written quotations (the Procurement Procedures provide sample documentation)
Staff	All employees, including temporary and casual workers, irrespective of whether their appointment specifically includes financial responsibilities and however their employment is financed together with anyone else who has any responsibility for the administration, management, or expenditure of any University Income or conducts any University Business
Tender Submissions	Formal tender documents submitted by suppliers in response to an Invitation to Tender
Total Value	The contract value or estimated value as follows: (a) fixed period contract: the total price to be paid or which might be paid during the whole of the period; (b) recurrent transactions for the same type of item: the aggregated value of those transactions in the coming 12 months; (c) uncertain duration: monthly payment x 48; (d) feasibility studies: value of the follow-on scheme; (e) the aggregated value of separate contracts meeting a single requirement.
University	The Chancellor, Masters, and Scholars of the University of Cambridge
University Business	University business which has a financial impact
University Income	All monies, regardless of source or purpose, which are due or paid to the University or made available to individuals because of their association with the University, including donations
Written	In writing, including submission by fax or email or using web tendering facilities provided by the University

¹ http://www.environment.admin.cam.ac.uk/files/environmental_sustainability_vision_policy_and_strategy_for_web.pdf.

Terms are to be understood as used in *Statutes and Ordinances*, unless the context of the Regulation requires otherwise.

Words preceding 'include', 'includes', 'including', and 'included' shall be construed without limitation by the words which follow those words.

Further Guidance is contained in

- the Financial Procedures Manual
- the web pages of:
 - Finance Division (including Procurement Services and Insurance)
 - Research Operations Office
 - Human Resources Division
 - Governance and Compliance Division (Information Compliance Office)
 - University Information Services
 - Legal Services Division and
 - Cambridge Enterprise (for Cambridge University Technical Services Limited)

NOTICE BY THE COUNCIL, FINANCE COMMITTEE, AND THE GENERAL BOARD

SITES AND BUILDINGS REGULATIONS

Adopted and approved on 21 July 2014 by Order of the Council, Finance Committee, and the General Board, following approval of Grace 5 of 21 May 2014.

Distributed by the Registry to all Heads of Department.

Terms beginning with capital letters are defined in Schedule 5 where necessary to aid interpretation.

1. Scope and responsibilities

1.1 The Council, Finance Committee, and General Board have responsibilities in relation to University land and buildings.¹ These regulations are issued as part of the discharge of those responsibilities and to facilitate compliance with Statutes and Ordinances. In particular these regulations seek to set out in one place the arrangements for management of University land, buildings, and capital projects from a technical, operational, and financial perspective.

1.2 A Grace is required for the disposal of land of present or prospective use to the University;² and for substantial alteration of an existing University building (understood as involving aesthetic as well as financial considerations), the erection of a new University building or the demolition of an existing University building.³ Disposal of land means the sale or transfer of any freehold or leasehold property or the grant of a lease for more than 60 years.⁴

1.3 These regulations apply to all University land and buildings owned or leased or to be acquired by the University and related capital and maintenance expenditure. The regulations must be followed by all Staff; all Departments and University subsidiary companies but not Cambridge University Press except where specifically provided (the Press is governed by its own Statute and Ordinances) or in general Cambridge Assessment (see further Schedule 2).

1.4 Compliance with these regulations does not remove any requirement to comply with the University's Financial Regulations issued by the Council.

1.5 Committee and other responsibilities in relation to land and buildings are set out diagrammatically in Schedule 1 and summarized in Schedule 2.

1.6 Breach of these regulations may result in disciplinary action and will be reported to the Registry, who will then report to the appropriate committee.

2. Approvals and contract execution

2.1 Projects which relate to land and buildings require Expenditure Approvals and in some cases Specific Operational Approvals. The Expenditure Approvals are set out in Schedule 3 and the Specific Operational Approvals in Schedule 4.

2.2 Compliance with Schedule 3 satisfies the requirement in Financial Regulations for Capital Approval.⁵

2.3 Heads of Department (see definition in Schedule 5) shall

- (a) take all necessary advice and
- (b) for projects involving their Department secure the approvals required by these regulations before any contractual commitment is given.

2.4 Subject to the issue of Expenditure and Specific Operational Approvals, the Head of Estate Management shall approve and sign all contracts for the purchase, lease or licence of land or property or for the erection,

¹ Statutes A IV 1, F I 1(a), F II 2–3, and Regulation 2 of the regulations for Financial Matters.

² Regulation 2(a) of the regulations for Financial Matters.

³ Statute F II 3.

⁴ Regulation 2(a) of the regulations for Financial Matters.

⁵ Financial Regulation 18.1.

demolition, substantial repair or alteration of buildings. Financial Regulation 7.1 governs who may authorize the affixing the University's seal.

2.5 Financial Regulation 8.3 governs when contract performance may begin.

3. Authorities and review

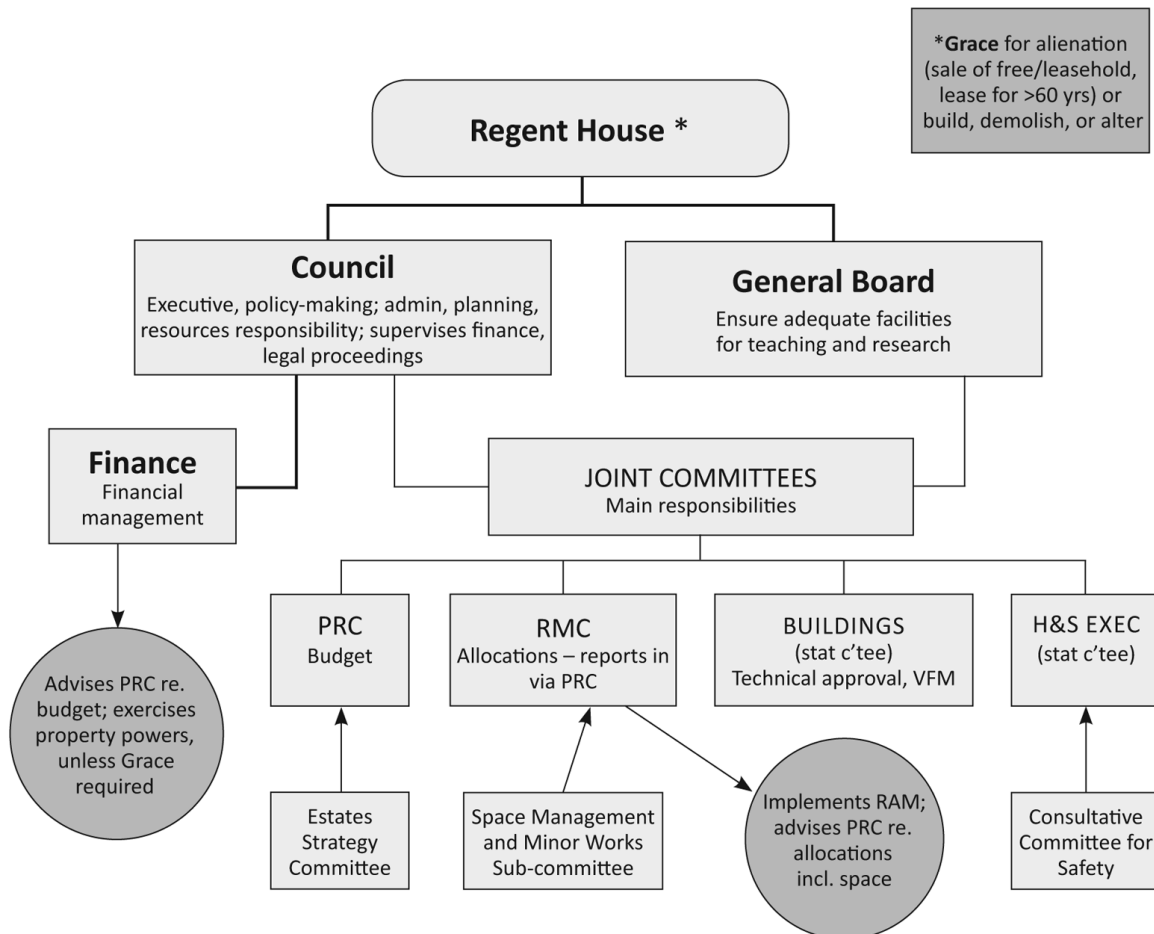
3.1 The Council, Finance Committee, and General Board hereby give all delegations and directions contemplated by these regulations.

3.2 Chairs of committees shall have delegated authority to act for their committees between meetings in urgent, minor or straightforward cases, reporting in full to the next committee meeting.

3.3 All decisions made under delegation shall be reported back to the responsible committee, which may call the matter back for further consideration.¹

3.4 Every three years, or more frequently if appropriate, the Registry shall arrange for these regulations to be reviewed and for proposed changes to be submitted to the Council, Finance Committee, and the General Board and adoption by their joint Notice.

Schedule 1 – Committee structure diagram



Schedule 2 – Committee and other responsibilities

1. The Council

1.1 The Council² is the principal executive and policy making body of the University, responsible for administration, planning, resources, and supervision of finances.³ The Council delegates business to its standing and occasional committees.⁴ The committees dealing with finance, planning and resources are the Finance Committee and the Planning and Resources Committee (PRC).⁵

¹ Special Ordinance A (viii) 4(b): delegation does not relieve the delegating body of responsibility.

² <https://www.governance.cam.ac.uk/committees/council/>.

³ Statutes A IV 1, F I 1(a), F II 2–3, and Regulation 2 of the regulations for Financial Matters. See also the special regulations for Syndicates, the Local Examinations Syndicate, and the Press Syndicate.

⁴ Statute A IV 7(b).

⁵ The Consultative Report of the Council in March 2004 (see <http://www.admin.cam.ac.uk/reporter/2003-04/weekly/5955/11.html> at para 1(a)).

1.2 The Council has the primary responsibility for determining if the sale or transfer of freehold or leasehold land or the grant of a lease for 60 years or more would deprive the University of the use of land or buildings which are of present or prospective use to the University (defined in Schedule 5 to these regulations as “PPU Land”). If so its disposal requires a Grace.¹ For the purposes of ongoing management, PPU Land is divided into the Operational and the Non-Operational Estate (both as defined in Schedule 5).

1.3 The Council lays down the scheme of Expenditure and Specific Operational Approvals set out in Schedules 3 and 4.

1.4 The Council and Finance Committee delegate the overall management of the Operational Estate to PRC and the Buildings Committee, which report back to the Council.

1.5 The General Board is responsible for ensuring there are adequate resources for teaching and research.²

2. Council Committees

2.1 The Finance Committee and Audit Committee are standing committees of the Council.³ The Council from time to time establishes further standing or occasional committees.⁴

2.2 The *Finance Committee* is responsible under the Council for financial management and stewardship of all assets and land, whether PPU Land or land held for investment. The Finance Committee itself oversees the management of the Non-Operational Estate, which is managed and maintained on a self-funding basis. The Non-Operational Estate includes land held for investment. The Finance Committee’s remit includes overview of the University’s accounts (and accounting policies, practices, and systems), consideration of management accounts and investment management, and the custody of tangible and intangible University assets. It reports to the Council as necessary and advises PRC about the budgetary envelope predicted prudently to be available to the University for both capital and recurrent expenditure. It is responsible with the Council for investment.⁵

2.3 All borrowing requires Finance Committee approval.

3. Joint Council and General Board Committees

3.1 The *Planning and Resources Committee* (PRC)⁶ is a joint committee of the Council and General Board, reporting to both bodies. It is responsible for advice to the central bodies about major strategic matters and for the conduct, subject to the responsibilities of the Council and the General Board, of the higher-level planning and resource management of the University including, with advice from the Finance Committee, proposing the University budget to the Council and the General Board.

3.2 PRC provides the financial oversight for the management of the Operational Estate and approves the estate plans for the management of PPU Land. It ensures the provision of funding for acquisition of land and work in relation to land.

3.3 PRC gives Funding Approvals (see Schedule 3).

3.4 The *Estates Strategy Committee* is a sub-committee of the PRC which advises on the strategic management of the Operational and Non-Operational Estate. In doing so it takes account of the estate plans for Cambridge University Press and Cambridge Assessment.⁷

3.5 The *Buildings Committee*⁸ is a sub-committee of the PRC. It gives Technical Approvals where the Total Cost exceeds £1m. It reviews retrospectively the Technical Approvals given by the Space Management and Minor Works Sub-Committee, giving advice where necessary about how to approach future decisions. Estate Management advises and conducts the operational work for Buildings Committee with the assistance of Finance Division and the Planning and Resource Allocations Office (PRAO).

3.6 The Buildings Committee advises PRC on the annual budget needed in the Building Maintenance Fund for the maintenance of the Operational Estate. It gives Technical Approvals (see Schedule 3) and technical advice on the management of the Operational Estate. The cost of maintaining the Operational Estate is chargeable to the Buildings Maintenance Fund or, if the body giving the Funding Approval determines (see Schedule 3), to departmental or other funds.⁹ The Buildings Committee has power to delegate maintenance responsibility.¹⁰

¹ Regulation 2(a) of the regulations for Financial Matters.

² Statute A V 1(c)(ii).

³ Statute A IV 7(a).

⁴ Statute A IV 7(b).

⁵ Statutes A IV 7–10 and A II 3–8, Regulation 2 of the regulations for Financial Matters, the Consultative Report of the Council in March 2004 (see <http://www.admin.cam.ac.uk/reporter/2003-04/weekly/5955/11.html> at para 8(b)).

⁶ See <https://www.governance.cam.ac.uk/committees/prc/>. The PRC is a joint committee of the Council and General Board, serviced by the Planning and Resource Allocation Office (PRAO). See the Council Consultative Committee report in March 2004 at <http://www.admin.cam.ac.uk/reporter/2003-04/weekly/5955/11.html> at para 6, 8(a), 10(a), and 19.

⁷ See Grace 5 of 21 May 2014.

⁸ The Consultative Report of the Council identifies the Buildings Committee as responsible for advising the PRC about executive matters relating to the operational estate and the buildings programme, including buildings maintenance, within budgets and estate plans approved by the central bodies on the recommendation of the PRC. It is a joint committee of the Council and General Board serviced by the Planning and Resource Allocation Office (PRAO), with business prepared by the Director of Estate Management. See <http://www.admin.cam.ac.uk/reporter/2003-04/weekly/5955/11.html> at para 8 and 10(c). See also Grace 1 of 9 February 2005, and Regulation 9 of the Sites and Buildings regulations (1994 as amended in 2005), confirmed by these regulations.

⁹ Regulations for Buildings Maintenance Funds; and Regulation 9 of the Sites and Buildings regulations (1994 as amended in 2005), re-confirmed by these regulations.

¹⁰ Regulations 9 and 10 (1994 as amended in 2005). The delegation is confirmed by these regulations.

3.7 The Buildings Committee oversees applications for planning approvals for the Operational Estate and is consulted by Cambridge University Press and Cambridge Assessment about planning applications for premises and land in the city of Cambridge.¹ Planning Applications which it considers are inconsistent with the University's long-term estate strategy and agreed principles and policies for planning and design may be referred to the Estates Strategy Committee before any approval is given.

3.8 The *Space Management and Minor Works Sub-committee* (SMMWS) is a sub-committee of the Resource Management Committee² to which it reports, reporting for information to the Buildings Committee. It gives Technical Approvals where the Total Cost is £50,000 to £1m, reporting these decisions retrospectively to the Buildings Committee. It makes funding recommendations to the Resource Management Committee (RMC) where the Total Cost is between £50,000 and £1m in parallel with the application to RMC for Funding Approval.³ It makes proposals about allocation of University space.

3.9 The *Resource Management Committee* (RMC)⁴ is a joint committee of the Council and General Board and reports in to those committees via PRC. RMC deals with the detailed work of resource allocation.⁵

3.10 RMC gives Funding Approvals (see Schedule 3).

3.11 RMC⁶ allocates space, dealing with the detailed work on resource allocation, following a proposal by the SMMWS. The PRAO allocates space less than 100 square metres under RMC supervision. As part of its space allocation remit, RMC approves proposals to share University space, including with Embedded Companies.

3.12 The *Health and Safety Executive Committee*⁷ is a joint committee of the Council and General Board. It is advised by the Consultative Committee for Safety. The Consultative Committee receives and considers the annual University Fire Report from Estate Management. The report then goes to the Health and Safety Executive Committee for consideration.

3.13 The *Environmental Sustainability Strategy Committee*⁸ is a joint committee of the Council and General Board and reports in to those committees via PRC. It is responsible for monitoring and enhancing the University's environmental management system.

4. Financial planning process

4.1 RMC and PRC propose the budget parameters, which are approved by the Finance Committee. RMC then constructs the budget for PRC approval. The budget then goes to Council with advice from the Finance Committee, prior to being Graced.

5. Other bodies and committees

5.1 The *Press Syndicate* is responsible for the management of the finance, property, and affairs of Cambridge University Press, except if Statutes and Ordinances expressly or by necessary implication provide otherwise.⁹ Cambridge University Press will consult the Buildings Committee and if necessary the Estates Strategy Committee about any significant planning applications to be made in respect of any premises or land in the city of Cambridge.¹⁰

5.2 A Grace is not required for the sale or transfer of freehold or leasehold land by Cambridge University Press or for the grant of a lease of more than 60 years or for the erection of a new building or for the demolition or substantial alteration of an existing building.¹¹ However the Press Syndicate have undertaken not to dispose, without the approval of the University, of the Pitt Building or of any property acquired from the University and specially designated by agreement between the Press Syndicate and the Council at the time of acquisition. The Press Syndicate have also undertaken to offer the Council the first option to acquire, at prevailing market price, any property in Cambridge which is to be disposed of by the Syndicate, such option if not taken up to lapse

¹ Previously Regulation 11(a) of the Sites and Buildings regulations (1994 as amended in 2005), delegation confirmed by these regulations in relation to the Operational Estate.

² The Council Consultative Report of March 2004 confirmed, for the time being, the (predecessor) Minor Works Review Group as a technical review and implementation group, reporting to the Buildings Committee but suggested it would be reconstituted as a sub-committee of the Buildings Committee – see <http://www.admin.cam.ac.uk/reporter/2003-04/weekly/5955/11.html>, para 1(f) and 8(d). The combining of the Minor Works Sub-Committee and the then Space Management Advisory Group into the Space Management and Minor Works Sub-Committee of the Resource Management Committee was approved by Grace 5 of 21 May 2014 (see the Report, *Reporter*, 6344, 2013–14, p. 467).

³ See Schedule 3.

⁴ See <https://www.governance.cam.ac.uk/committees/rmc/>.

⁵ See further the RMC terms of reference on the RMC website and the Consultative Report of the Council in March 2004 – see <http://www.admin.cam.ac.uk/reporter/2003-04/weekly/5955/11.html> at para 1(e) and 16.

⁶ Regulation 5 of the Sites and Buildings regulations (1994 as amended in 2005) described as a Council responsibility the assignment of buildings to faculties, departments and other institutions or bodies. This task has been delegated to RMC.

⁷ See Regulations 3 and 4 of the regulations for the Health and Safety Executive Committee and <https://www.safety.admin.cam.ac.uk>. See also the Council Notice of 26 April 2010 which revised the membership of the Consultative Committee for Safety.

⁸ See <https://www.environment.admin.cam.ac.uk/>. The organization, terms of reference, and constitution of the Committee are set out in the Environmental Sustainability Vision, Policy, and Strategy adopted by the Council on 27 April 2015 (see the Council's Notice, *Reporter*, 6384, 2014–15, p. 502).

⁹ Statute J; Regulation 3 of the regulations for the Press Syndicate; Regulation 5 of the regulations for Financial Managers; Financial Regulation 1; see also Regulations 1 and 11 of the Sites and Buildings regulations (1994 as amended in 2005), re-confirmed in these regulations. The Council has power to limit the Press's powers and may reclaim control – see Statute J 5 and 13.

¹⁰ Regulation 11 of the Sites and Buildings regulations (1994 as amended in 2005), continued in the current regulation.

¹¹ Statute J 3 and Regulation 5 of the regulations for Financial Matters.

fourteen days after the offer.¹ Cambridge University Press will share its estate plan and co-operate with the Estates Strategy Committee in strategic decisions affecting its estate.²

5.3 The Local Examinations Syndicate provides the oversight of *Cambridge Assessment*, including in relation to the management of property assigned to Cambridge Assessment subject to the following requirements:

- A Grace is required for the disposal of land.³
- The Local Examinations Syndicate shall offer the Council the first option to acquire, at prevailing market price, any property in Cambridge which is to be disposed of by the Syndicate, such option if not taken up to lapse fourteen days after the offer.
- Cambridge Assessment shall seek the prior written consent of the Finance Committee before contracting for any land or building acquisition or borrowing for capital purposes above £15m. Cambridge Assessment will share its estate plan and co-operate with the Estates Strategy Committee in strategic decisions affecting its estate.²
- Cambridge Assessment shall consult the Buildings Committee about any significant planning applications to be made in respect of any premises or land in the city of Cambridge.

6. Unified Administrative Service (UAS)

6.1 The *Estate Management* Division of the UAS undertakes the technical management of the Operational and Non-Operational Estate (but not investment land within the CUEF), including the following:

- preparing the draft estate plans (estate strategy and its implementation) for approval of PRC, the Council, and the General Board, including the categorization of land not held as part of PPU Land;
- undertaking all planned maintenance, drawing on the Building Maintenance Fund, and all unplanned maintenance (under the supervision of and reporting to the Buildings Committee);
- providing monitoring, guidance, and training for Departments on fire safety; checking fire equipment; managing the Fire Team; reporting annually on fire safety to the Consultative Committee for Safety;⁴
- planning and managing University property and facilities;
- advising on security matters and responding to incidents;⁵
- securing planning permission as required;
- procuring University building work;
- managing University and private rented residential accommodation for University use;
- operating the University Centre and other catering outlets around the University;
- advising on the drafting and negotiation of licences and leases for the approved sharing of space; and
- managing the University Farm.

6.2 Following the issue of a Funding Approval for building work, the Finance Division conducts final due diligence checks including as to the sources and reliability of funding. The building warrant (being the formal authority to spend) is issued

- by the Director of Estate Management for maintenance work,
- by the Deputy Director of Finance for other building work up to and including £100,000,
- by the Pro-Vice-Chancellor with responsibility for planning for other building work above £100,000.

6.3 PRAO is a unit within the Academic Division. Among other responsibilities it gives Funding Approvals and, under RMC supervision, allocates space less than 100 square metres. PRAO services PRC, RMC, the Buildings Committee, and the SMMWS.

7. Schools and Departments

7.1 *Schools* are responsible for resource allocation within the parameters set by the annual budget report.

7.2 Heads of Department

The definition in the Financial Regulations from time to time in force⁶ is adopted for the purposes of these regulations. At the time of adoption of these regulations this means: “the head of a department or a faculty not organized in departments, secretaries of faculties, head of a centre, institute or other body under the supervision of the General Board or Council and head of a division within the Unified Administrative Service”. “Department” is interpreted accordingly.

Heads of Department are responsible, in respect of buildings assigned to the Department, for

- identifying and reporting to Estate Management the need for any unplanned maintenance;
- cleaning;
- observance of safety, security, and fire precautions in line with advice and guidance from Estate Management;⁷
- maintenance only where specifically delegated by Buildings Committee (see Schedule 4); and

¹ Footnote to Regulation 3(c) of the regulations for the Press Syndicate.

² See the recommendations of the Report approved by Grace 5 of 21 May 2014 (*Reporter*, 6344, 2013–14, p. 467).

³ See Regulation 1.2.

⁴ Previously the Buildings Committee had overall responsibility for the taking of measures for the safety of premises (including fire precautions) – see Regulation 9(a) and (b) of the Sites and Buildings regulations (1994 as amended in 2005).

⁵ Previously the Buildings Committee had overall responsibility for the taking of measures for the safety and security of the premises in consultation with the bodies concerned – see Regulation 9(a) and (b) of the Sites and Buildings regulations (1994 as amended in 2005).

⁶ See Financial Regulation 4.1.

⁷ Previously Schedule 1 paragraph 1(c) of the Sites and Buildings regulations (1994 as amended in 2005), delegation confirmed by these regulations. Security obligations not previously itemized.

- undertaking a cost and space analysis for any Embedded Company, securing a Specific Operational Approval to share space with the company (see Schedule 5) and ensuring contractual arrangements are put in place between the company and the University and that the company complies with health and safety legislation and University policies.¹

8. The Investment Office

8.1 The Investment Office buys and sells and arranges the technical management of land and buildings held for investment purposes within the CUEF, under the oversight of the Investment Board, reporting to the Council via the Finance Committee.

9. The Land Fund

9.1 All payments of premium for the lease of land and receipts from the sale of land (other than land held for investment purposes) shall be credited to the Land Fund. The capital and the income of the Fund may be used (a) to purchase sites which are suitable for development for University purposes, and (b) to meet the cost of planning and providing the infrastructure for the development of sites in University ownership, including costs relating to the requirements of Town and Country Planning legislation.²

¹ Regulations for Financial Matters, Financial Regulation 26.

² Regulations for Financial Matters, regulations for the Land Fund.

Schedule 3 – Expenditure Approvals, required for: (i) all building work, including refurbishment and re-structuring, and (ii) maintenance, where delegation has been approved pursuant to Schedule 4*

*Where any delegation has been approved pursuant to Schedule 4, the Department will act in place of Estate Management

Total Cost	Head of Department	Estate Management*	PRAO	SMMWS	Buildings Committee	RMC	PRC
Total Cost of less than £50k unless Buildings Committee has approved a Minor Works Expenditure Approval Exemption	Provides Brief Business Case to PRAO.	Estate Management prepares the budget for PRAO and gives Technical Approval.	PRAO checks funding availability. Provided Estate Management agrees PRAO issues the Funding Approval.				
Total Cost is £50k to £1m.	Provides Brief Business Case to PRAO.	Estate Management checks value for money and prepares the budget for SMMWS.	PRAO checks funding availability and consults Estate Management. Reports to SMMWS.	Receives Estate Management and PRAO advice. Makes a funding recommendation to RMC. Gives the Technical Approval which is then reported to Buildings Committee.		Funding Approval.	
Total Cost is >£1m to <£2m.	Provides Brief Business Case to PRAO.	Estate Management checks value for money and prepares the budget for Buildings Committee.	PRAO reviews and recommends to Buildings Committee business need (academic or administrative need and value for money).		Technical Approval.		Funding Approval.
Total Cost is £2m or above (Capital Projects Process).	Registers the project with PRC at the outset. The Chair of PRC has power to register small, straightforward projects. Prepares the Concept Paper . When the Concept Paper is approved, prepares full business case including the confirmation/ revision of the Concept Paper and business plan and the provision of estimates.	Estate Management checks value for money and prepares the budget for Buildings Committee.	PRAO assists Department working with Estate Management.		Technical Approval.		Approves Concept Paper before proceeding further and determines how the preparation of the full business case is to be funded. Funding Approval .

Schedule 4 – Specific Operational Approvals

Subject	Approval or determination by	Other requirements
<i>Alienation of land</i>		
Determination whether land is PPU Land. ¹	Finance Committee. In straightforward cases the determination can be made by the Director of Finance (on advice of the Director of Estate Management) and reported to the Finance Committee.	PRC advises the Finance Committee. Estate Management provide technical advice.
Approval for sale or transfer or grant of a lease for more than 60 years of land which is PPU Land. ²	Regent House (Grace).	Report from Council to Regent House.
Approval for sale or transfer or grant of a lease for more than 60 years of land which is not PPU Land. ²	Finance Committee.	
Approval for grant of a lease of PPU Land for less than 60 years. ²	Finance Committee.	
Use of Land Fund (receipts from sale or lease of land other than land held for investment purposes). ³	Finance Committee.	
<i>Alteration or change of use</i>		
Consideration of whether a repair or alteration is substantial and, if not substantial what publicity is appropriate. ⁴	The body which gives the Technical Approval (SMMWS or Buildings Committee depending on project Total Cost).	
Preliminary approval of proposals for substantial repair or alteration (prior to seeking a Grace). ⁵	PRC gives the Funding Approval. Buildings Committee gives the Technical Approval.	
Approval for substantial alteration of an existing University building. ⁶	Regent House (Grace).	Consult the Directors of Estate Management and Finance and the Taxation Section. Execution of contract documents is done by the Director of Estate Management. ⁷
Approval for change of use. ⁸	RMC.	Estate Management advises.

¹ Regulation 2(a) of the regulations for Financial Matters: A Grace is required for a sale or lease of more than 60 years if in the judgement of the Council this would deprive the University of the use of lands or buildings which are of present or prospective use to the University.

² Regulation 2(a) of the regulations for Financial Matters.

³ Premiums from the lease of land and receipts from the sale of land (other than land held for investment purposes) are credited to the Land Fund and are subject to the requirements of the regulations for the Land Fund.

⁴ Delegation from Council: i.e. is it substantial for the purpose of Statute F II 3.

⁵ Delegation from Council to PRC and (per previous Regulation 8 of the Sites and Buildings regulations (1994 as amended in 2005)) to Buildings Committee, re-confirmed by these regulations.

⁶ Statute F II 3.

⁷ Financial Regulations 6.2. Regulation 2.4 of these regulations.

⁸ Delegation by Council in line with previous Regulation 6 of the Sites and Buildings regulations (1994 as amended in 2005).

Subject	Approval or determination by	Other requirements
<i>Erection or demolition of a building</i>		
Approval for the erection of a new University building or for the demolition of an existing University building. ¹	Regent House (Grace).	Consult the Directors of Estate Management and Finance and the Taxation Section. The Director of Estate Management signs the contract documents. ²
<i>Maintenance</i>		
Setting the annual budget for the Building Maintenance Fund.	PRC – Financial Approval Buildings Committee – Technical Approval.	
Delegation of maintenance (for the execution of one or more maintenance projects).	Buildings Committee.	When considering a request until further notice to delegate maintenance, Committee shall set any appropriate thresholds and conditions and shall have regard to the following: (a) The extent of delegation to be given (scope and Total Cost delegated). (b) Legal, regulatory, and insurance issues. (c) Levels of necessary expertise (technical, health and safety, purchasing, etc.). (d) Value for money. (e) Conditions to be imposed in addition to those in Financial Regulations. A list shall be published on the Estate Management website setting out delegations made. ³
<i>Minor works expenditure approval exemption</i>		
Exemption from need to seek an Expenditure Approval for work not exceeding £50,000.	Buildings Committee.	When considering a request for exemption until further notice from the need to seek an Expenditure Approval for work where the Total Cost does not exceed £50,000, Committee shall set any appropriate thresholds and conditions and shall have regard to the following: (a) The extent of permission to be given (scope and Total Cost permitted). (b) Legal, regulatory, and insurance issues. (c) Levels of necessary expertise (technical, health and safety, purchasing, etc.). (d) Value for money. (e) Conditions to be imposed in addition to those in Financial Regulations. A list shall be published on the Estate Management website setting out delegations made.

¹ Statute F II 3.² Financial Regulation 6.2. Regulation 2.4 of these regulations.³ Statute F II 2–3; Statute J; confirmation of delegation by Council in line with previous Regulations 1, 7, and 9 of the Sites and Buildings regulations (1994 as amended in 2005).

Subject	Approval or determination by	Other requirements
<i>Permission to carry out minor works</i>		
Permission to carry out minor works.	Buildings Committee.	<p>When considering a request for permission until further notice to carry out minor works, Committee shall set any appropriate thresholds and conditions and shall have regard to the following:</p> <ul style="list-style-type: none"> (a) The extent of permission to be given (Total Cost permitted). (b) Legal, regulatory, and insurance issues. (c) Levels of necessary expertise (technical, health and safety, purchasing, etc.). (d) Value for money. (e) Conditions to be imposed in addition to those in Financial Regulations including requirements to consult EM and/or not to do certain specified work. <p>A list shall be published on the Estate Management website setting out delegations made.</p>
<i>Permission to carry out emergency work</i>		
Permission to carry out Emergency work without seeking an expenditure approval.	Buildings Committee.	<p>When considering a request for permission until further notice to carry out emergency work as it arises, Committee shall set any appropriate thresholds and conditions and shall have regard to the following:</p> <ul style="list-style-type: none"> (a) The extent of permission to be given (Total Cost permitted). (b) Legal, regulatory, and insurance issues. (c) Levels of necessary expertise (technical, health and safety, purchasing, etc.). (d) Value for money. (e) Conditions to be imposed in addition to those in Financial Regulations including requirements to consult EM and/or not to do certain specified work. <p>A list shall be published on the Estate Management website setting out delegations made.</p>
<i>Acquisition of land</i>		
Approval for acquisition of property (freehold leasehold or any building) anywhere in the world to form part of PPU Land whether for value or not. ¹	Finance Committee.	PRC advises Finance Committee as necessary.
<i>Borrowing</i>		
Prior approval required.	Finance Committee.	

¹ New requirement of the Council under its supervisory jurisdiction.

Subject	Approval or determination by	Other requirements
<i>Allocation of space</i>		
Allocation of space. Approval for sharing University space with any third party, including an Embedded Company, and whether by way of lease, licence or any other formal or informal arrangement. A change to the net usable area of the building. A change of use. ¹	RMC.	Consult the SMMWS, which considers and puts proposals to RMC. Consult Estate Management about the terms of any arrangement with a third party. Execution of contract documents is done by the Director of Estate Management. ²

Schedule 5 – Definitions and guidance

‘Brief Business Case’	A paper setting out the academic or administrative need, value for money, and funding source and confirming that, where the Department belongs to a School, the Head of School approves the project.
‘Buildings Maintenance Fund’	The fund referred to in Ordinance Ch. XIII, ‘University Funds, Special Regulations, Buildings Maintenance Funds’.
‘Cambridge Assessment’	The operational arm of the Local Examinations Syndicate.
‘Capital Approval’	The approval required (under these Regulations) for capital projects where the Cost of works is £2m or above and (under Financial Regulations) expenditure on capital items (inclusive of VAT), is £2m or above.
‘Concept Paper’	A paper setting out the academic or administrative case, value for money and preliminary costings.
‘CUEF’	Cambridge University Endowment Fund.
‘Department’, ‘Head of Department’	As defined in Financial Regulations.
‘Embedded Company’	A company occupying University premises or whose employees’ normal place of work is on University premises, other than as temporary visitors or to provide services to the University.
‘Emergency Work’ ³	If an unforeseen Maintenance event causes damage, the minimum work immediately necessary to preserve property and address health and safety risks.
‘Estate Management’	The University’s Estate Management Service.
‘Expenditure Approval’	An approval in accordance with Schedule 3.
‘Funding Approval’	Authority given to Finance Division to issue a building warrant.
‘Financial Regulations’	The University’s Financial Regulations (an Order of Council set out in Ordinances).
‘Investment Board’	The board which manages for the University the investment of the Cambridge University Endowment Fund (CUEF).
‘Investment Office’	The officer group which provides technical management for the Investment Board.

¹ Delegation by Council in line with previous Regulation 5 of the Sites and Buildings regulations (1994 as amended in 2005).

² Financial Regulation 26. Regulation 2.4 of these regulations.

³ Emergency Work conducted by Estate Management is authorized as part of the approval of the Buildings Maintenance Fund which includes an allocation for emergency work.

‘Maintenance’	The repair, refreshment or renewal of what already exists to enable the facilities to function as originally intended, as distinct from Refurbishment and Restructuring; Maintenance does not change the scope, capacity or structure of any facility, nor does it add or remove any facility; it has the sense of continuance and preservation.
‘Minor Works Expenditure Approval Exemption’	Buildings Committee approval for a Department to proceed with work (not to exceed £50,000) without seeking an Expenditure Approval.
‘Non-Operational Estate’	Land and buildings held for the general purposes of the University (e.g. residences) and land and property that could be needed in the foreseeable future for the Operational Estate. It is managed on a self-funded basis and remits income to the Chest.
‘Operational Estate’	Land and buildings currently used for teaching and research or for administrative and other support functions, including the University Farm, and retention of specialist use and ‘churn’ space but excluding land used by Cambridge University Press and Cambridge Assessment (the Local Examinations Syndicate).
‘PPU Land’	Freehold or leasehold land where the sale or transfer or the grant of lease for sixty years or more would deprive the University of the use of land or buildings which are of present or prospective use to the University.
‘PRC’	Planning and Resources Committee of the Council and the General Board.
‘PRAO’	Planning and Resource Allocation Office.
‘Refurbishment’	Upgrading what exists.
‘Restructuring’	Changing what exists.
‘RMC’	Resource Management Committee.
‘SMMWS’	Space Management and Minor Works Committee.
‘Specific Operational Approval’	An approval in accordance with Schedule 4.
‘Staff’	All employees irrespective of whether their appointment specifically includes responsibilities for land and buildings and however their employment is financed together with anyone else who has any responsibility for the management or Maintenance of or expenditure on any University land or buildings.
‘Technical Approval’	Confirmation that the proposed budget and specification for building work meet the operational, quality and technical needs and provide value for money.
‘Total Cost’	The total cost or estimated total cost to bring a project to completion, including without limitation all design work, VAT, constructions costs and planning advice.
‘University’	The Chancellor, Masters, and Scholars of the University of Cambridge.

Terms are to be understood as used in Statutes and Ordinances, unless the context of the regulation requires otherwise. Words preceding ‘include’, ‘includes’, ‘including’, and ‘included’ shall be construed without limitation by the words which follow those words.

If in doubt, consult Estate Management or PRAO. Further written guidance is contained in the Finance Committee, PRC, RMC, and Estate Management¹ web pages.

¹ <https://www.em.admin.cam.ac.uk/>.

AUDIT COMMITTEE

1. The Audit Committee shall meet at least once a term in each financial year. It shall be the duty of the Committee: Duties.

- (a) to keep under review the University's risk management strategy and implementation;
- (b) to keep under review the effectiveness of the University's systems of financial and other internal control;
- (c) to satisfy itself that satisfactory arrangements are adopted throughout the University for promoting economy, efficiency, and effectiveness;
- (d) to advise the Council on matters relating to the external auditors, including their appointment, their services, their remuneration, and any questions relating to the resignation or dismissal of auditors;
- (e) to review annually with the external auditors the nature and scope of the external audit;
- (f) to consider, in consultation with the external auditors, (i) any statements annexed to the annual accounts of the University, including the auditors' report, and (ii) any statement provided by the Council on the governance of the University;
- (g) to approve the approach to internal audit;
- (h) to approve proposals for the programme of internal audit work put forward by the internal auditors and to ensure that sufficient resources are made available to implement the internal audit programme effectively;
- (i) to consider any reports submitted by the auditors and to monitor the implementation of any recommendations made by the auditors, both external and internal;
- (j) to monitor annually the performance and effectiveness of the external and internal auditors;
- (k) to oversee the University's policy on fraud and irregularity, and to ensure that the Committee is informed of any action taken under that policy;
- (l) to ensure that all significant losses are properly investigated and that the internal and external auditors, and where appropriate, other authorities and regulators, are informed;
- (m) to make an annual report to the Council, and to other authorities and regulators as required;
- (n) to receive reports from authorities and regulators, and to advise the Council thereon;
- (o) to forward minutes of the Committee's meetings to the Council.

INTELLECTUAL PROPERTY RIGHTS

General

1. The following regulations apply to all University officers, as described in the Statutes and Ordinances of the University, and to all other persons employed by the University. The term 'University staff' in these regulations denotes all the above persons. The provisions of these regulations may also concern visitors to the University, and to associates and students of it, by virtue of Regulations 12, 13, and 14.

Who the regulations apply to.

2. Nothing in these regulations shall override the requirement for employees and students to keep confidential: material the disclosure of which would be inconsistent with their duties under professional codes; material that is decreed to be confidential by a relevant ethics committee; or material that is obtained under the terms of a Non-Disclosure Agreement. Moreover, nothing in these regulations shall override agreements that students or the University, on behalf of, and with the knowledge of, University staff or students, have entered into with third parties as a condition of sponsorship or research funding.

Non Disclosure Agreement.

Nothing in these regulations creates any right or entitlement for any staff, visitors, associates and students where the creation or exercise of such right or entitlement might cause the University or its staff, visitors, associates or students to breach or be unable to comply with any legal obligation or ethical requirement including, without limitation, in relation to personal data or data derived from human biological materials.

Definitions

3. In the following regulations, the following definitions shall apply:

‘creator’: a person who invents, devises, designs, develops, breeds, works out, discovers, conceives, performs, produces, translates or expresses;

‘creates’: invents, devises, designs, develops, breeds, works out, discovers, conceives, performs, produces, translates or expresses;

‘relevant creator’: a creator eligible to be named in an application for registerable rights, for example inventors in the case of a patent; or any creator in the case of nonregisterable rights.

Freedom to make research public

4. University staff are entitled to decide that the results of any research undertaken by them in the course of their employment by the University shall be published or disseminated to other persons to use or disclose as they wish in accordance with normal academic practice.

However, if University staff decide that the results of their research should be commercialized, they should be aware that, in respect of patents and similar rights in inventions and new technology, protection for and subsequent commercialization of such inventions may be jeopardized if information about the inventions is made available to the public anywhere in the world before all relevant applications for protection have been lodged. Any statement, oral or written, which is made to another person or persons who are under no obligation to keep the information confidential will negate the validity of a patent for the invention in many countries.

Initial entitlement to intellectual property rights

5. Where intellectual property rights arise, or the right to apply for such rights arises, from the results of activities undertaken by University staff in the course of their employment by the University, the initial entitlement to those rights shall be as provided in the following regulations. Research undertaken by University staff in the course of their employment by the University shall include all research conducted under the obligation to do so, expressed or implied, in their terms of employment. The time when, and the place where, particular research results are reached or achieved shall be factors to be taken into consideration in assessing whether the research is in the course of employment. Where a person external to the University consults a University staff member for advice, that advice will normally be regarded as private and therefore as forming no part of her or his obligations in the course of employment by the University.

6. The University shall have the initial right to apply throughout the world for a patent for an invention, for another right in novel technology such as a utility model or petty patent, for a plant variety right or plant patent, and for a registered design for a product, any trade mark registration associated with another registerable right belonging to the University, or any other type of intellectual property that is dependent on registration, deposit, or grant at the time that these regulations are approved. The University or its delegated nominee, currently the University’s wholly owned subsidiary, Cambridge University Technical Services Ltd (CUTS), will become the proprietor of any intellectual property right that is in consequence granted or registered. A University staff member who is the relevant creator shall be named as such in the application.

7. Other intellectual property rights, arising from the activities of University staff in the course of their employment by the University, which exist without the need for any formal application at the time these regulations are approved, belong to the University staff member who creates the results subject to any third party rights which he or she may have previously agreed. This applies in particular to copyright and moral rights in literary, dramatic, musical, and artistic works; copyright in software, notwithstanding that there may also be patentable results embodied in the software; copyright arising from authorship of a database; performers’ rights; unregistered design rights; and rights over information (such as trade secrets and confidential know-how).

8. The University shall own any registered trademark which would associate the University with the exploitation of a product or service. Notwithstanding Regulation 7, the University shall own copyright, database rights, and other unregistered rights arising from the activities of University staff in the course of their employment by the University in (a) subject matter created for the administrative or managerial purposes of the University, including advice to students other than teaching materials;

Prior disclosure.

Registered trademark ownership.

(b) subject matter such as examination papers and library catalogues; and (c) any other subject matter commissioned by the University, such as special reports on its policy or management. For the purposes of this regulation, works commissioned by Cambridge University Press in the course of its business shall not be regarded as such commissioned subject matter.

9. Material or other subject matter that is developed in the University of which the copyright is owned by the University, including any that may fall under Regulation 8, may be released under Open Source or similar arrangements on the authority of the Head of Department in which the material is created. The Head of Department may delegate such authority within a Department without restriction. (When material is derived from material acquired under Open Source arrangements that require any distribution of derived material to be under the same arrangements, no authority to distribute need be sought.)

Open Source
arrangements.

10. The law accords rights against exploitation of certain products by third parties to creators who organize their production; these include sound recordings, films, broadcasts, published works (in respect of their typographical arrangement) and databases (in respect of extraction and utilization of their content). These rights over products are additional to, and do not affect, copyrights and performers' rights of the kind referred to in Regulation 7 that protect works and performances included in the products. In any case where, because the University is the investor or co-investor in such products, it acquires these rights by operation of law, the University:

(a) by virtue of these regulations grants licence to these rights to each creator free of charge or other obligation; and

(b) undertakes, on the joint request of all who contributed to the creation of the product, to assign these rights to those persons free of charge or other obligation on the latter's part.

11. The party initially entitled to an intellectual property right by virtue of Regulations 6–8, whether the University or a University staff member, may deal with the right by assignment, licence, waiver, or other dealing entered into before or after creation of the subject-matter of the right, so far as is permitted by law. The University may elect to assign its intellectual property rights in appropriate cases to a nominee company.

12. The University shall require College Teaching Officers and College Research Fellows working on University research projects to agree to be bound by the regulations in the same manner as University staff or by such other terms as may be agreed in the circumstances. It shall be for the relevant College to agree with the University what share (if any) in the portion of net revenue accorded to central funds under Regulation 25 shall instead be allotted to the College.

College
Teaching
Officers and
Research
Fellows.

13. It shall be the responsibility of a University staff member to ensure that visitors or other non-University employees, working on a University project for which the University staff member is named as principal investigator, do not compromise the University's intellectual property obligations to third parties with respect to that project. University staff members named as principal investigators on research grants and contracts should consider whether visitors or other non-University employees should be asked to enter into agreements in order to achieve this.

14. The entitlement to intellectual property rights in material created by a student shall rest with the student, with the following exceptions:

Students.

(a) Where a student is sponsored by a third party, a condition of sponsorship may be that the sponsor may own any intellectual property developed during the period of sponsorship. Sponsored students are, therefore, advised to check the terms of their sponsorship agreement.

(b) Where a student is working on a sponsored project as part of his or her coursework or research, the sponsor may own any intellectual property that the student develops. This will be specified in the research contract and the supervisor or Department should inform students if this is the case as early as possible in the admissions process and in any case prior to the start of their research.

(c) Where a student is working in collaboration with others in a manner that gives rise to joint creation of intellectual property, or interdependent intellectual property, the student may be required to assign intellectual property to the University or place the results in the public domain without restriction. He or she will be treated in the same way as University staff under these regulations. If this case is likely to arise, students should be so informed at the offer of admission where practical, and in any case prior to the start of their research.

A student who believes that clause (c) above has been inappropriately applied may make an application to the University Technology Referee under Regulation 15.

A sponsorship agreement may also place a requirement on the student and his or her examiners to undertake to keep results confidential while steps are being taken to protect intellectual property or to establish exploitation arrangements. The student may also be required to submit the dissertation to the sponsor for scrutiny before submitting it for examination. Any confidentiality agreement whose purpose is to delay public disclosure for the purpose of protection should usually not have effect for longer than three months from the time the sponsor is notified of intent to publish. When the University obtains an assignment of student-created intellectual property, it undertakes to provide the student with a share in such financial returns from the exploitation as there may be on the same basis as that applying to University staff by virtue of Regulation 25.

Disputes. **15.** Where a dispute occurs between the University and a University staff member, a person referred to in Regulation 12 or a student, or between staff members, a person referred to in Regulation 12 and/or a student, as to the application of these regulations or the terms of the agreement on which they should enter, or on which they have already agreed to proceed, concerning the commercial exploitation of any intellectual property rights, or the subject matter to which such rights relate, the dispute shall, at the request of either, be referred to a University Technology Referee in accordance with Regulations 32–39.

Scope of application

Effective date. **16.** These regulations shall apply to all intellectual property rights relating to subject-matter created on or after 12 December 2005 save to the extent that a University staff member has, before that date, entered into an explicit arrangement to the contrary with the University or the University has previously entered into an agreement with a third party relating to those rights. Intellectual property rights in subject-matter invented, devised, made, or created before that date shall be governed by the previous agreements, rules, policies, and notifications of the University which affect them. In all other respects the present regulations shall replace and supersede the policy set out in the General Board Notice¹ on commercial exploitation of inventions funded by Research Councils, and that approved by Grace 6 of 21 March 2001.

Interpretation

17. In these regulations, references to acts to be done by or in relation to the University in the exercise of any right or power, or in fulfilment of any duty or responsibility, are to acts done by or on behalf of the Council or by a duly designated officer and to directions given by the Council.

ADMINISTRATION OF THE UNIVERSITY'S INTELLECTUAL PROPERTY PROVISIONS

General

Commercial exploitation. **18.** If University staff decide that the results of their activities should be the subject of commercial exploitation, and that the rights to those results are reasonably capable of including rights to which the University is initially entitled by virtue of Regulation 6, they must notify the University, through the Research Services Division, and the relevant Chair of Faculty Board, or Head of Department or other institution and provide the University with full disclosure of the relevant results in order that the steps referred to in Regulations 19–24 may take place. University staff shall assist the Research Services Division to take reasonable steps to determine who all the creators of the subject matter are and whether any agreements govern the ownership or exploitation of the subject matter. The Research Services Division shall ensure that students' supervisors or contract researchers' line managers are aware of the intention to exploit commercially.

Cambridge Enterprise. **19.** The University staff shall discuss with Cambridge Enterprise the path for exploitation, with the aim of reaching agreement on confidentiality, whether a patent application should be filed, and whether a company should be formed to exploit the technology.

20. If Cambridge Enterprise, with the agreement of the University staff member(s), decides that a patent or other form of intellectual property right requiring registration should be applied for in respect of one or more countries in the world, it may exercise its entitlement to do so in the University's

¹ *Reporter*, 1986–87, p. 440, dated 26 February 1987.

name, or in the name of its designated nominee, in accordance with Regulation 6. In respect of any such application, all inventors shall be included in any application that requires them to be named.

21. The relevant creator of the subject matter, or creators acting jointly, may decide that they do not wish it to be exploited through Cambridge Enterprise and then may require the University to assign the rights referred to in Regulations 6 and 20. If not in contravention of any agreement governing ownership or exploitation of the subject-matter, this assignment may be to the creators for a fixed percentage of royalty income in the case where the creators decide to license or assign the rights to a third party; or under negotiated licence/equity terms when the creators are forming a company to exploit the rights. In the last-mentioned case, the guiding principle shall be that a fixed percentage of the rights attributed, on a fair and reasonable basis, to intellectual property, often referred to as inventors' rights, shall be assigned to the University. Any assignment by the University shall be conditional on the repayment of any funds expended by Cambridge Enterprise on protection of the subject-matter. If the creators cannot reach agreement, Cambridge Enterprise shall make a decision, against which any party may make application to the Technology Referee. The fixed percentages referred to in this regulation are set out in the Schedule attached to these regulations.

Assignment of rights.

The determination of whether such an assignment is or is not contrary to any agreement shall be made by the Research Services Division within 30 days of being supplied with all relevant information. Any determination may be the subject of a reference in accordance with Regulations 32–39.

22. In the case where the creators do wish to commercialize through Cambridge Enterprise, Cambridge Enterprise shall decide, within 30 days, or such longer time as it and the University staff may agree to, of receiving notification of sufficiently detailed research results, whether to make any application, in the UK or elsewhere, of the type referred to in Regulations 6 and 20. If it does, it must inform the University staff who have notified the results and it must make and prosecute the application with all reasonable diligence.

Decision to pursue application.

23. If Cambridge Enterprise decides not to pursue an application, to withdraw an application, or not to maintain a granted or registered right, it must forthwith inform the University staff who have created the subject-matter of its decision. The University shall seek to determine with those persons the future course of action with financial arrangements as in Regulation 21.

Decision not to pursue application.

24. During the period following receipt of notification of the research results from a University staff member, Cambridge Enterprise shall consider with her or him how commercial exploitation of the results shall or may be pursued, having regard to all reasonable proposals for that exploitation made by the staff member. Cambridge Enterprise and the University staff member shall keep each other informed and shall co-operate fully in order to achieve an agreed outcome. Where a University staff member is entitled to intellectual property rights under Regulation 7 over information in subject matter or other material and those rights are relevant to the exploitation of the University's rights under Regulation 6, the staff member may agree to assign or license her or his intellectual property rights either to the University, to the University's designated nominee, or to a third party in furtherance of such arrangements for exploitation as may be reached.¹

25. Where the University or its designated nominee receives licensing income from the commercialization of intellectual property rights by virtue of Regulation 6, or by virtue of any assignment to the University or nominee of a University staff member's intellectual property rights under Regulation 7, whether in association with the exploitation of the University's rights under Regulation 6 or by virtue of Regulation 27, any direct costs, as defined in the Schedule to these regulations, shall be deducted and the net revenue shall be shared between the relevant creators of the material or other subject matter (here referred to together as 'inventors') protected by intellectual property rights, her or his Department, Faculty or other institution, and the University as specified in the Schedule to these regulations.

Net revenue shared.

Where University staff together contribute to the creation of intellectual property that is subsequently exploited, the distribution of the inventors' share of revenue shall be a matter for those staff members to determine, referring the matter if necessary in accordance with Regulation 15. They shall notify Cambridge Enterprise of the resulting arrangements. If the staff members do not reach an agreement, Cambridge Enterprise shall refer the matter, by application, to the Technology Referee under Regulation 33.

A royalty sharing arrangement under this regulation shall continue in effect after the person concerned ceases to be a University staff member or to hold a position or status which makes the regulation

¹ See the explanatory note on p. 1076.

applicable. Upon the death of such a person, her or his share under this regulation shall continue to be payable to her or his estate or a nominee thereof.

Confidentiality. **26.** During any period in which Cambridge Enterprise, with the agreement of the University staff concerned, is considering whether to make an intellectual property application or applications that entail keeping the subject-matter from being available to the public beforehand, Cambridge Enterprise shall, and other parties should, keep the research results confidential until those applications have been made and are therefore no longer in jeopardy from any prior publication. If a University staff member decides to make the relevant results public before the applications have been made, he or she must be aware that those applications are likely to fail and shall inform Cambridge Enterprise as soon as possible.

Where a University staff member is solely entitled to intellectual property rights under Regulation 7

27. Where a University staff member is entitled to any intellectual property right in accordance with Regulation 7, he or she may seek the assistance of Cambridge Enterprise in arranging exploitation of the rights, for instance by agreeing a fee for management by the University's designated nominee, or by assigning the rights to the nominee in return for use of the University's name, arms, or trade marks and then adopting the revenue-sharing arrangement described in Regulation 25.

External sponsorship

28. An agreement may be reached by the University with an external sponsor of research or a third party, under which, in return for the agreed level of funding or sponsorship for research, transfer of materials, or other collaboration, the third party or the University shall be entitled to the intellectual property rights relating to the results of the research, or the third party shall be entitled to an assignment of those rights or the right to apply for them, or a licence of or other interest in any such rights that the University may subsequently own. So far, however, as such intellectual property rights consist of copyright or other informal rights referred to in Regulations 7 and 10, this provision applies only where it is explicitly stated that such rights are included in the agreement. University staff, in agreeing to conduct research under such an agreement shall be deemed to have agreed to comply with the terms of the agreement. In particular the University staff shall execute any assignment of intellectual property required by the agreement and abide by any confidentiality conditions specified in the agreement. Such agreements shall designate the person to whom University staff must notify relevant research results and the period within which the notification must be given. Standard terms for these undertakings may be included in the Model Research Collaboration Agreement that is available from the Research Services Division.

Specific exceptions concerning copyright and database right

29. Where the University participates in, or establishes, a specific project to organize teaching or other dissemination of knowledge, otherwise than to its own students, or a project to set up and maintain a database it may require that intellectual property rights arising in relation to material incorporated into the project or arising from it be assigned or licensed to it as part of an agreement for the management of the project. If such a requirement exists it shall be made and agreement sought before the project is begun.

Teaching materials. **30.** In relation to teaching materials prepared by a University staff member for use in the teaching primarily of the University's students, unless the Faculty Board or other body responsible for teaching has agreed explicitly to the contrary, the University shall have a non-exclusive, royalty-free, perpetual licence to use the material for teaching in the University.

Use of the University's name, arms, and trade and service marks

31. The University is solely entitled to use its name and arms, and to trade marks, service marks, corporate names, and domain names in which either appears, where the use of the name, shield, or mark is such as to suggest that the University is engaged in, or is connected with, or sponsors, the activities. In appropriate circumstances the Council or a duly authorized officer may, subject to such conditions as may be determined in a particular case, permit a University staff member wishing to commercialize her or his intellectual property rights under Regulation 7 or 21 to use the name, arms, or mark for commercial activities with which they are or will be associated.

ADJUDICATION AND APPEAL

32. The Council shall maintain a panel of persons to serve as University Technology Referees. Such persons need not be members of the University. One member of the panel shall be designated by the Council as Chair of the panel. The Council may appoint a Deputy Chair to serve if the Chair is not able or willing to act in a particular case. A Secretary of the Panel of University Technology Referees shall be appointed in accordance with Regulation 39. The identity of the members of the Panel of University Technology Referees, its Chair, and Secretary shall be published in the *Reporter*.

University
Technology
Referees.

The Council shall also maintain a panel of persons to serve on a Technology Appeal Tribunal in accordance with Regulation 35.

33. If a dispute arises as to the interpretation of these regulations:

- (a) the University staff member, or a person referred to under Regulation 12 or the student concerned, or a duly authorized person representing the University, hereinafter the ‘applicant’, shall send written notice to the Secretary of the Panel of Referees of the facts of the dispute within thirty days of the dispute arising, and shall at the same time send the same material to the other parties to the dispute;
- (b) any other party to the dispute may submit comments on the applicant’s submission to the Secretary within fourteen days of receipt of the submission;
- (c) the Secretary shall notify the Chair (or Deputy Chair) who shall act herself or himself or shall designate a member of the panel to act as the Referee in a particular case; the Secretary shall notify the applicant and other parties to the dispute of this appointment;
- (d) the Referee shall consider the material submitted by the applicant and other parties to the dispute;
- (e) at her or his discretion the Referee may hold a hearing at which all parties to the dispute shall normally be entitled to be present and to be represented. The Referee may also request evidence be given in writing, or by way of oral hearing, by any other member of the University staff, College Teaching Officer, College Research Fellow, or student, as the Referee sees fit;
- (f) following consideration and hearing the Referee shall issue a written adjudication, to be communicated to the Registry, and the parties to the dispute. Such adjudication shall include recommendations as to the resolution of the matter in dispute. The Referee shall make reasonable efforts to issue this adjudication within 45 days of the original application to the Secretary of the Panel of Referees;
- (g) the Chair, or the Referee if a Referee has been appointed, may dismiss summarily a complaint which, in her or his opinion, is trivial, vexatious, or out of time.

34. Any participating party aggrieved by the Referee’s adjudication may, within thirty days of notification of the adjudication, appeal to the Technology Appeal Tribunal. Such appeal shall be made in writing to the Clerk of the Tribunal, and shall include full documentation. A copy of such papers shall be sent by the appellant to those mentioned in Regulation 33(a).

35. The Technology Appeal Tribunal shall consist of:

- (a) a legally qualified Chair, designated by the Registry to serve in a particular case from a panel of Chairs to be maintained by the Council;
- (b) *either*
 - (i) (when the referral does not involve a student) two members of the Regent House, designated by the Registry from a panel of members of the Tribunal to be maintained by the Council;
 - or*
 - (ii) (when the referral does involve a student), two members of the Regent House, one designated by the Registry from a panel of members of the Tribunal to be maintained by the Council, the other nominated by the Senior Tutors’ Committee,
- (c) (when the referral involves a student) a student chosen from a panel of registered students appointed by the Council under the procedure used to choose a student member of the Discipline Committee.¹

Technology
Appeal
Tribunal.

No person shall serve on the Tribunal if he or she has previously served as Chair, Deputy Chair, or Referee in the initial reference of the particular case or is subject to a conflict of interest.

36. The Chair of the Tribunal for the particular case shall determine whether the proceedings shall be dealt with on the basis of written representations, or at an oral hearing, or both, provided that the Chair shall normally determine that an oral hearing shall take place if one of the parties requests it.

¹ See p. 96.

37. The decision of the Tribunal shall be notified in writing to the parties, and to the Registry.

38. The Chair of the Panel of Referees and the Chair of the Tribunal may from time to time make procedural rules about the respective procedures, either of general application, or in respect of a particular case. A decision of the Tribunal in a particular case shall bind the parties, subject to any rights which a member of the academic staff has under the Schedule to Statute C, to any disciplinary proceedings brought by the University under Statute D and the Schedule to Statute C, to any review proceedings before the Commissary under Statute A IX 3–10, to any legal proceedings, and in respect of students, to any relevant student complaints or adjudication procedures.

39. The Registry shall designate a person to act as Secretary of the Panel of Referees, and as Clerk of the Tribunal.

SCHEDULE

Royalty income

In the following, net royalty refers to royalty income less expenditure on:

- (a) all reasonable expenses paid outside the University and Cambridge Enterprise, including patent agent fees, for the filing, prosecution and maintenance of intellectual property rights;
- (b) all reasonable external legal fees incurred in the commercialization of the intellectual property;
- (c) all reasonable external legal fees expended on litigation;
- (d) all reasonable expenditure on insurance relating to the maintenance and enforcement of intellectual property rights;
- (e) any revenue due to third parties, for example sponsors; and
- (f) any other expenditure that is agreed with the inventors.

Where Cambridge Enterprise is involved in exploitation, the share of revenues from net royalties shall be as follows.

<i>Net Income</i>	<i>Inventors (jointly)</i>	<i>Department</i>	<i>Cambridge Enterprise</i>
First £100,000	90%	5%	5%
Next £100,000	60%	20%	20%
Above £200,000	34%	33%	33%

Where Cambridge Enterprise is not involved in exploitation, the share of revenues from net royalties shall be as follows.

<i>Net Income</i>	<i>Inventors (jointly)</i>	<i>Department</i>	<i>Central Funds</i>
First £50,000	100%	0%	0%
Above £50,000	85%	7.5%	7.5%

Where the inventors form a company under Regulation 21, that is, without the involvement of Cambridge Enterprise, the fixed percentage of inventors' rights referred to therein shall be 15%.

Thresholds in these schedules shall be index linked from 12 December 2005 using the Retail Prices Index.

Share of equity in new businesses

The share of equity in new businesses shall be negotiated on a case by case basis having due regard of the contribution of creators to the business beyond the creation of IPR and of any funding that is made available by the University or Cambridge Enterprise.

EXPLANATORY NOTE TO REGULATION 24

The Council in its Notice (*Reporter*, 2008–09, p. 335) in response to the Board of Scrutiny's Thirteenth Report agreed to the Board's Recommendation 8 that it should publish an explanatory note to Regulation 24 for Intellectual Property Rights in *Statutes and Ordinances*. It accordingly attaches below the comments on the scope of Regulation 24 made by the Technology Appeal Tribunal after a hearing held on 1 May 2007. The full text of the Tribunal's decision is available at http://www.admin.cam.ac.uk/reporter/2007-08/weekly/6108/ipr_appeal.pdf.

The scope of Regulation 24:

5. Regulation 24 commences as follows;

'During the period following receipt of notification of the research results from a University staff member, Cambridge Enterprise shall consider with her or him how commercial exploitation of the results shall or may be pursued, having regard to all reasonable proposals for that exploitation made by the staff member. Cambridge Enterprise and the University staff member shall keep each other informed and shall co-operate fully in order to achieve an agreed outcome.'

6. In his written submissions to the Tribunal, [the appellant] said 'there has to be an agreed outcome and co-operation between the University staff member and CE and this has to be based upon the wishes of the creator of the intellectual property'. This was developed during the course of oral submissions before us. It was argued that if there was no agreement on a particular issue there was no 'agreed outcome' as referred to by Regulation 24.

In the absence of agreement, the matter had to go to the Referee for determination. We do not accept this argument except in as much as there should normally be reasonable opportunity for the Referee to become involved if appropriate. In our view, when the Regulations refer to CE [Cambridge Enterprise] and the staff member co-operating 'in order to achieve an agreed outcome' it means that those parties must co-operate with the objective of achieving an agreed outcome. It is not dependent upon an agreement being achieved and it does not bestow on the staff member a veto. The Regulations mandate a process, not an outcome. Furthermore, where CE and the relevant staff member have agreed a particular outcome, for example an agreement for exploitation between CE and a third party, Regulation 24 does not give the staff member a right to be consulted on, or a veto over, every commercial decision to be made within the scope of that agreement. Were it otherwise it would become difficult to run any normal commercial arrangement with third parties. Indeed we think that were staff members to have such wide-ranging powers, it could be a significant disincentive to third parties who might otherwise be tempted to invest in the results of Cambridge research. We do not believe the Regulations should be read that way. That would be to the long term disadvantage of both the University and its staff.

7. In our view, Regulation 24 requires CE and the staff member to enter into bona fide discussions with the aim of achieving an agreed outcome. The views of the originator of the research are to be given great weight. The Regulation requires the member of staff and CE to keep each other informed and to co-operate fully. The word 'fully' clearly governs the obligation on the parties to co-operate. Whilst, as a matter of grammar, it may not also govern their obligation to keep each other informed, in our view full co-operation involves not just bona fide discussion but also an obligation to keep each other fully informed of any significant factor which can be or is likely to be taken into account in determining how the research is to be exploited. Full co-operation involves the parties being on as near an equal footing as possible as far as knowledge of relevant facts is concerned. Furthermore such disclosure must be done at a time which gives the disclosee a reasonable opportunity to make a proper assessment, to respond and, where suitable, to make counter-proposals. Save in cases of necessary urgency, the disclosee must also be informed sufficiently in advance to enable him or her to properly consider the implications of what is being proposed by CE, to formulate and properly present a response. We emphasise that the obligation of disclosure only applies to significant factors. It does not mean that the parties are obliged to disclose trivial matters to each other.

8. We accept that situations may arise where full disclosure may not be possible. For example it may not always be possible where defence related research is involved. Similarly, occasions may arise where disclosure of some information may put the discloser at significant risk of being in breach of a legal obligation to some third party. In such cases, the discloser must indicate to the other party the nature of the restraint. Once again this must be done in sufficient time to allow the disclosee to express informed views on the claimed restriction and to suggest ways in which it can be avoided or its effect minimised. For example, if commercially sensitive information is involved, the disclosee may be able to suggest a reasonable compromise whereby the information is disclosed to an independent third party acting on her or his behalf who can express views to the disclosee without the need to disclose the confidential information to her or him.

9. In addition to this, we believe that Regulation 24 obliges both CE and members of staff to avoid, wherever possible, entering into arrangements which would hinder their ability to comply with their duty to make full disclosure of relevant information. A party should take reasonable steps to ensure that third parties do not impose restraints on the disclosure of relevant information or, where such restraints are unavoidable, that they are no more extensive than necessary.

10. In any case where there is a reference to the Referee under the Regulations and it appears that significant relevant information has been withheld from one of the parties by the other, the onus is on the withholding party to demonstrate that the information was not significant, that there was a binding obligation not to disclose it or that no reasonable alternative mechanism could have been put in place which would have allowed the disclosee or someone acting on her or his behalf to have access to all or some of the information.

UNIVERSITY FUNDS

GENERAL REGULATIONS

In addition to the several funds prescribed by Statute there shall be a University Education Fund, a Buildings Maintenance Fund, a Quinquennial Equalization Fund, a Land Fund, and such other funds as may be prescribed by Ordinance or as the Council shall from time to time determine.

DISTRIBUTION FROM THE AMALGAMATED FUND

1. The appropriation and distribution for expenditure of the fair value of any Amalgamated Fund under Regulation 6(e) of the regulations for financial matters shall be determined as set out in Regulation 2. The Council, on the advice of the Finance Committee, may from time to time recommend amendment of the formula set out in Regulation 2 to the Regent House for approval by Grace.

2. The sum distributed to each unit shall be calculated according to the following formula:

$$(PYD \times 0.7) + (0.04 \times BMV \times 0.3)$$

where:

- (i) PYD is the previous year's distribution per unit in the Fund uplifted by an inflation factor taken as the consumer price index plus one per cent or such other inflation factor as the Council may from time to time determine; and
- (ii) BMV is the capital value of one unit in the Fund taken as the mean of the starting capital values of the most recent six half-years, including the first half-year of the current financial year (i.e. the closing value of the Fund on 30 June of that year, plus the two previous 30 June closing values and three previous 31 December closing values).

FUNDS OF FACULTIES, DEPARTMENTS, AND OTHER INSTITUTIONS

Accounts.

1. Separate accounts shall be maintained for each Faculty, Department, and other institution in such manner as may be prescribed by the Finance Committee of the Council in consultation with the Council or the General Board as the case may be.

Responsible officer.

2. An officer who is required, by or under Statute or Ordinance, to be responsible for the proper application of funds at the disposal of a Faculty, Department, or other institution shall, at the end of each financial year, certify that the statement of the account for which he or she is responsible is correct and that the funds have been properly applied.

Balances.

3. Any balance in the funds of a Faculty, Department, or other institution at the end of a financial year shall be available for the purposes of the particular Faculty, Department, or other institution.

FUNDS ALLOCATED TO THE COUNCIL

In each year an allocation from the Chest to the Council shall be approved by Grace. The Council shall be empowered to approve grants for recurrent and non-recurrent expenditure from this allocation to the funds of institutions under the supervision of the Council and to such other University funds (other than the University Education Fund) as they may consider appropriate.

ESTIMATES

Submission.

1. During the Lent Term in each year Faculty Boards and comparable authorities, and Heads of Departments and other institutions, shall prepare estimates of expenditure for the ensuing financial year. Such estimates shall be submitted either to the Council, in the case of institutions under the supervision of the Council, or to the General Board, in the case of institutions under the supervision of the Board, for consideration by those bodies.

2. Estimates submitted in accordance with Regulation 1 shall be transmitted, when approved by the Council or the General Board, as the case may be, to the Finance Committee of the Council.

3. In the first half of the Easter Term, or as soon as possible thereafter, the Finance Committee shall submit to the Council a statement of the receipts of the Chest and payments from the Chest during the preceding financial year, a revised estimate of the corresponding figures for the current financial year, and an estimate of the corresponding figures for the ensuing financial year.

Allocations Report.

4. Before the end of the Easter Term or as soon as possible thereafter, the Council shall publish a Report on the financial position of the Chest, recommending allocations for the ensuing financial year to:

- (a) the General Board for the University Education Fund;
- (b) the Council for all other purposes save those specified in other recommendations contained in the Report.

ACCOUNTS

1. The Council shall publish an annual abstract of the accounts of the University, signed by the Vice-Chancellor and a University officer designated for the purpose by the Council.

2. The Council shall also publish an abstract of each of the following accounts: the accounts of the Local Examinations Syndicate, the accounts of the University Farm, the accounts of the Contributory Pension Fund, the accounts of the Colleges Fund, and the accounts of any amalgamated fund established by the Council under the provisions of Regulation 6(e) of the regulations for financial matters.

SPECIAL REGULATIONS

BUILDINGS MAINTENANCE FUND

The Buildings Maintenance Fund shall be at the disposal of the Council for the performance of their duties relating to the care and maintenance of University buildings. The Council, on the advice of the Buildings Committee, shall from time to time make allocations to the Fund of amounts within their total allocation as approved by Grace.

COLLEGES FUND

1. The Colleges Fund maintained under Statute G II 18 shall be used to make grants to Colleges Purpose. for either recurrent or non-recurrent purposes.

2. The Fund shall be managed by a Committee consisting of: Committee.

(a) the Vice-Chancellor (or a duly appointed deputy) who shall be Chair;

(b) one person appointed by the Council on the nomination of the Finance Committee;

(c) one person appointed by the Council on their own nomination;

(d) two persons appointed by the Colleges.

Members in classes (b)–(d) shall be appointed to serve for six years.

3. The Secretary of the Committee shall be the Registrar or a University officer designated for the Secretary. purpose by the Council.

4. The Committee shall meet annually to consider representations from Colleges. The Committee Grants. shall have discretion to make grants to Colleges from time to time according to their needs and the resources of the Fund. Grants may be either single or recurrent for such period of years as the Committee may decide. All grants shall be reported by the Committee to the Council, who shall publish them to the University.

GENERAL PURPOSE FUNDS

1. Funds which have been established from benefactions made to the University for general or Title. unspecified purposes shall be known as General Purpose Funds and shall consist, as long as any balance remains in the Fund concerned, of the Davy, Harrison, Kirkpatrick, Watkins, and Wightman Funds and such others as may be so designated by the University from time to time.¹

2. The income or capital of any Fund specified in Regulation 1 shall be placed at the disposal of How used. the Council to be used as the Council think fit provided that a statement is published in the *Reporter* on any expenditure therefrom.

LAND FUND

All payments of premium for the lease of land and receipts from the sale of land (other than land held Purpose. for investment purposes) shall be credited to the Land Fund. The capital and the income of the Fund may be used (a) to purchase sites which are suitable for development for University purposes, and (b) to meet the cost of planning and providing the infrastructure for the development of sites in University ownership, including costs relating to the requirements of Town and Country Planning legislation.

¹ By Grace 2 of 12 October 2005, the Archibald Douglas Ross Fund was designated a General Purpose Fund.

LOAN FUND I

- Committee. **1.** Loan Fund I shall be administered by a Committee consisting of:
- (a) the Vice-Chancellor (or a duly appointed deputy) as Chair;
 - (b) two members of the Regent House appointed by the Council on the nomination of the Council's Finance Committee;
 - (c) two members of the Regent House appointed by the Council on their own nomination.
- Members in classes (b) and (c) shall serve for two years from 1 January next following their appointment.
- 2.** The Committee shall meet not less than once in each term.
- Applications. **3.** Applications for loans shall be sent to the Registry by Tutors of Colleges.
- Condition under which loans may be granted. **4.** Applications on behalf of students in their first year of residence shall be considered only in very exceptional circumstances.
- 5.** Loans shall not be granted unless in the opinion of the Committee the applicant's College is already giving him or her as much assistance as may reasonably be expected.
- 6.** Loans shall be free of interest. The recipient shall sign an undertaking to repay the loan, and in proper cases the recipient's parent or guardian shall be associated with the undertaking. The Committee shall determine, and shall have power to relax, the conditions of repayment.

LOAN FUND II

- Purpose. **1.** In order to help University officers and University assistants who have, or have had, insufficient capital to buy, build, or extend houses, loans shall be offered from Loan Fund II, at a variable rate of interest equal to the standard rate charged by the Cambridge Building Society.
- Conditions. **2.** Subject to an upper limit of £100,000 in each case, loans may be offered of an amount up to the full value of the house as assessed by Estate Management reduced by the amount borrowed on first mortgage from a Bank, Building Society, or Insurance Company approved by the Finance Committee of the Council, provided that in each case the Committee are satisfied that the maximum advance on first mortgage has in fact been obtained.
- 3.** A loan shall be secured by a second charge on the house.
- Eligibility and repayment. **4.** Conditions of eligibility for loans, for the award of loans, and for their repayment shall be determined by the Finance Committee, who shall have power to exercise discretion in exceptional circumstances.
- 5.** The granting of loans under these regulations shall be subject to review by the Finance Committee of the Council in 1998–99 and at intervals of five years thereafter.

PENSION FUND II¹

- Purpose. Pension Fund II shall be used by the Council on the recommendation of the Managing Committee of the Pension Scheme for the following purposes:
- (a) to make grants or advances to assistants in needy cases,
 - (b) to meet cases of necessity relating to dependants of assistants who have died in the service of the University.

QUINQUENNIAL EQUALIZATION FUND

- Purpose. The surplus income of the Chest shall be transferred at the end of the financial year to the Quinquennial Equalization Fund which shall be used to make good any deficiency of income in a year in which the authorized expenditure of the Chest exceeds the income.

RESEARCH MAINTENANCE GRANTS FUND

Rescinded by Grace 4 of 24 July 2019

¹ For Pension Fund I, see the regulations for FSSU, which were last published in *Ordinances*, 1979, p. 109.

STRATEGIC PLANNING RESERVE FUND

The Strategic Planning Reserve Fund shall consist of such sums as the University may from time to time transfer to it on the recommendation of the Council. The Fund shall be at the disposal of the Council, to be used for such strategic purposes as the Council may consider appropriate. A list of allocations from the Fund shall be published annually in the *Reporter*.

STUDENT HOUSING FUND

1. The Student Housing Fund shall be used to make grants to Colleges or to the University for the provision of accommodation for registered students. Purpose.

2. The Fund shall be under the control of a Committee of Management consisting of Committee of Management.

(a) the Vice-Chancellor (or a duly appointed deputy) who shall be Chair;

(b) two persons appointed by the Council;

(c) one person appointed by the Council on the nomination of the Buildings Committee;

(d) three persons appointed by the Colleges Committee.

Members in classes (b)–(d) shall be appointed in the Michaelmas Term to serve for six years from 1 January following their appointment.

3. The Secretary of the Committee shall be the Registrar or a University officer designated for the purpose by the Council. Secretary.

4. The Committee of Management shall meet at least once in each financial year to consider representations from Colleges or from the Council. The Committee shall have discretion to make grants to Colleges or to the University from time to time according to their needs and the resources of the Fund. Grants may be either single or recurrent for such period of years as the Committee may determine. All grants shall be reported by the Committee to the Council, who shall publish them to the University.

UNIVERSITY EDUCATION FUND

1. In each year an allocation from the Chest to the General Board for the University Education Fund shall be approved by Grace. The General Board shall be empowered to approve grants for recurrent and for non-recurrent expenditure from the University Education Fund to the funds of Faculties, Departments, and other institutions under the supervision of the General Board. Allocation to, and grants from, Fund.

2. The Finance Committee of the Council in consultation with the General Board shall be empowered to adjust the allocation to the Fund from the Chest in any year on account of differences between actual and estimated expenditure of the institutions under the supervision of the General Board on pensionable stipends, wages, pensions, national insurance contributions, family allowances, and other personal emoluments, except where the savings have arisen from deciding to suppress or not to fill any office or post with a view to applying the savings to new developments of a recurrent nature or for other General Board purposes. Any balance in the Fund at the end of the financial year after such adjustment, if any, has been made shall remain in the Fund. Adjustments of allocation. Balance.

3. When a deficit has arisen in the accounts of one or more institutions under the supervision of the General Board the General Board may make non-recurrent grants from the Fund to meet the whole or part of the deficit. Grants for deficits.